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Daily Report

Latin America

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16 April 1990

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Latin America

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Argentina's Cavallo Wants EC Political Support

PY1104160290 Buenos Aires TELAM in Spanish 1728 GMT 10 Apr 90

[Report by special envoy Luis Mendoza]

[Text] Dublin (Ireland), 10 Apr (TELAM)—Argentine Foreign Minister Domingo Cavallo has said that to pay the foreign debt without burying the Latin American countries in hyperinflation, these countries must generate fiscal surpluses which are very difficult to achieve given current circumstances. He called for the EEC's "firm political support" before the international financial organizations.

He said that several Latin American countries have implemented strict readjustments of their economies, "again postponing" the needs, "many of them essential, of our peoples." He added, however, that "all these privations will mean nothing" without political support from developed countries.

This afternoon, when he addressed the meeting of the Group of Rio and EEC foreign ministers, Cavallo said: "For the first time in its history, democracy, economic freedom, and a yearning for integration prevail in Latin America." He pointed out, however that the region "is buried in this century's longest crisis." "To overcome this crisis," he continued, "our governments have implemented profound economic readjustments creating economic openings and economic freedom. Although the crisis and the economic readjustments are having serious repercussions on the weaker sectors of Latin American societies, the Latin American governments are unhesitatingly confronting the political cost of these readjustments."

He pointed out that the effort being made "entitles Latin America to become the object of coordinated international action, that may help it face the social consequences of the crisis and of the readjustments, to increase its investments, and to improve its technological development to overcome the delay experienced in most of its productive sector over the last few years."

The Argentine foreign minister believes that the developed countries' markets must remain open and asserted: "It is indispensable that the GATT negotiations under way consolidate the objectives agreed upon at Punta del Este." He added that "the events and changes occurring in the world, particularly in Europe, will directly affect the results of the aforementioned negotiation."

Cavallo, who acted as the Group of Rio spokesman, said he is sure that "the new European political responsibility will prevail over the interests of certain sectors which, although having been the pillars of the community, can no longer perform the leading role the EEC must play in the current historical era."

"The world order has changed substantially lately and accentuated the concept of interdependency and the need to establish political-economic blocs that may coordinate or stimulate the development of their members," Cavallo said.

He emphasized the integration process being implemented by the eleven countries that make up the Latin American Integration Association (ALADI) based on a new concept of trade, new cooperation areas, and complementary economic activity. He pointed out that "these objectives are included in the agenda for the next ALADI meeting," and are reinforced by the legitimacy of the governments of the member countries. He believes that this "ensures, as never before, the implementation of the decisions to be adopted in the next few weeks."

Regarding a rapprochement between the EEC and ALADI, Cavallo said: "Latin America realizes that it has not created ties with the EEC in accordance with the possibilities that exist in the different sectors of the two communities' economies." He said: "ALADI-EEC relations should be analyzed within the framework of a legal organization that may stimulate trade cooperation and scientific-technological mechanisms." He added: "In its recent programs supporting the East European democratization processes, the EEC has expressed its intention to mobilize resources and mechanisms to achieve important cooperation objectives, if there is political will for that."

Cavallo also called for the possibility that Latin American countries have access to the European Investment Bank loans, as Poland and Hungary did. He concluded by saying: "The implementation and enforcement of these measures requires a consultation mechanism between Latin America and the EEC, which currently does not exist."

In the meeting, which was held at the Dublin Palace, Argentina was also represented by Raul Carignano, Foreign Ministry under secretary for Latin American affairs; Diego Guelar, Argentine ambassador to the EEC; Juan Carlos Sanchez, ambassador and national director of policy; and Eduardo Sadeuz, minister counselor; among several others.

This morning, Cavallo greeted Irish President Patrick J. Hillery, and Prime Minister Charles J. Haughey. This afternoon, he met with FRG Foreign Minister Hans-Dietrich Genscher, with whom he discussed topics of bilateral interest and issues related to the integration process of the FRG and the GDR.

Tomorrow, Cavallo will leave for Budapest, where he will meet with Argentine ambassadors to the East European countries and the Group of Rio and Eastern countries' foreign ministers.

Proposes Nuclear Cooperation

PY1104203390 Madrid EFE in Spanish 2041 GMT 10 Apr 90

[Text] Dublin, 10 Apr (EFE)—Argentine Foreign Minister Domingo Felipe Cavallo is in Dublin to attend the meeting of EEC and Group of Rio foreign ministers. He

expressed the Argentine Government's desire to analyze future nuclear cooperation with EEC nations.

The meeting will be held at Dublin Castle this afternoon. Cavallo will brief the EEC countries on the Argentine Government's interest in increasing their supply of agricultural products to the European market. This is Cavallo's first visit to Ireland.

Cavallo said that Argentina wants to initiate a process of cooperation with high-level technology groups. He expressed special interest in the Euratom program.

Cavallo said that European cooperation is necessary for the organization that is being created in Latin America to investigate and to control nuclear technology for peaceful use. He added that this organization is based on a Brazilian-Argentine nuclear cooperation agreement.

Cavallo said that the drive to develop the cooperation agreement between Brazil and Argentina on nuclear matters will help to create a leading Latin American system similar to the one that is being implemented through the Euratom program and related to the TNP (Non-Proliferation Treaty).

Cavallo said that European cooperation would help to create mechanisms to continue the program for peaceful purposes. He added that the possibility of distrust would also be avoided because joint action will be taken to implement this project.

Cavallo said that the Argentine Government is willing to establish broader contacts with the EEC to set in motion mechanisms of cooperation that would help to evaluate projects and to attract the interest of foreign firms.

He also said that he will try to get the EEC cooperation through the Latin American Integration Association (ALADI), which comprises the Group of Rio countries and Chile, Bolivia, Paraguay, and Ecuador.

Cavallo stressed that the Argentine Government is willing to facilitate foreign investments in the country within the framework of the tough programs aimed at improving the economy.

The Argentine Government, Cavallo said, is adopting serious measures that will favor and attract foreign investments. He said that it is up to those who want to invest in the country to make the "decision."

Political matters, such as the continuous violation of international law in Central America—especially due to the U.S. Government position in the antidrug struggle—will be also discussed at this afternoon's meeting. According to Cavallo the cooperation in the antidrug struggle should be based on full respect for the international law so that internal conflicts do not undermine countries that want to fight against this serious scourge.

Cavallo specially emphasized the boarding of ships by the U.S. troops on the pretext of seizing drug shipments.

Regarding the current reform policy that is being implemented in Argentina, Cavallo stressed the effort made by his government to overcome the fiscal deficit and to stabilize the Argentine currency and prices.

Cavallo said that it was necessary to implement this tough policy, the results of which are already a reality.

Cuba

TV Marti Allegedly Interfered With Broadcast

PA1404132990 Havana International Service in Spanish 0000 GMT 14 Apr 90

[Read by Roberto Morejon]

[Text] Some optimistic press analysts have speculated on the possibility that the United States would seriously reconsider the usefulness of continuing its anti-Cuban television broadcasts following an international dictum on the system's illegality. The White House and the big Western media have avoided reporting about a recent decision by the International Frequency Registration Board [IFRB], which belongs to the International Telecommunications Union [ITU], of which the United States is a signatory member, calling the misnamed TV Marti an initiative that violates that organization's rules.

The United States has chosen to ignore the IFRB's call to end these broadcasts, which are against Cuba's will. To add insult to injury, the signal's sponsors interrupted Tele Rebelde's local Channel 13 at daybreak on 10 April, while a special program was being aired. The United States tried to justify its broadcasts to the island by arguing that it had available daybreak hours to send its subversive messages, when Tele Rebelde is normally off the air. But by affecting Tele Rebelde's special program on 10 April, the U.S. sponsors have once more broken ITU rules. No country may broadcast television signals that break into another nearby country without its consent, much less interfere with a neighboring country's television programs. The White House has not informed the U.S. public that Cuba has managed to block nearly all of the unfairly named TV Marti broadcasts. One may assume that they will not report that information, or that by illegally penetrating Cuban airwaves at daybreak, they have interfered with the special programming of a Cuban television channel.

The U.S. telecommunications upsurge has thus become a very explosive issue.

Criticism of TV Marti by Canada's Clark Noted

FL1404013090 Havana Television Service in Spanish 0000 GMT 14 Apr 90

[Text] Joe Clark, Canadian secretary of state for external affairs, has stated that transmissions by a pirate television station from the United States against Cuba are an inopportune action.

Clark said: I do not think these transmissions are either useful or helpful to a rapproachment with Cuba.

This is the first time Joe Clark has directly criticized the White House decision to begin illegal television transmission against our island.

Clark added that the Cuban Government and other Latin American governments are very concerned about Washington's decision and stated that in view of the situation, the government of Ottawa cannot ignore the issue.

U.S. Ships Said Part of 'Intimidation Campaign'

FL1404184590 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Apr 90

[Station commentary]

[Text] The United States continues to "heat up" Caribbean waters in a risky and irresponsible way. A few hours ago the U.S. destroyer DD-968 Arthur W. Radford arrived at the naval base stolen from Cuba in Guantanamo Bay. It has a displacement of over 8,000 tons and a crew made up of 19 officers and 315 sailors. Our scouts of the Border Brigade detected this new arrival. The Yankee combat potential in Guantanamo has been increased, and right now the above destroyer, amphibious boats, the missile cruiser CG-20 Richmond K. Turner, the missile destroyer DDG-39 MacDonough, and the destroyer DD-980 Moosbrugger remain in the waters taken from Cuba.

Systematically in recent weeks, and also with the presence of NATO warships, the United States has been carrying out a campaign of harassment and intimidation against our nation in Caribbean waters and the naval base. What does the Bush administration mean by such risky acts? Does the current top American leadership believe it can frighten our people with such methods of force? The U.S. military presence in Caribbean and Cuban waters is an unquestionable focus of tensions; the real purpose of this has remained hidden and secret in the most up-to-date plans of the Pentagon and the CIA.

The aggressive escalation began only days before another aggressive movement under the name of TV Marti came on the air. Yankee ambitions regarding Cuba are therefore clear: To destabilize the country and try to destroy Cuba's Marxist-Leninist revolution are part of imperialist triumphalist dreams. Our people, forged in struggle and combat, want peace for development, but do not fear war. Intimidation campaigns and blackmail will not make the spirit of these Cubans of Baragua yield. With firmness and determination we would prefer to have this island sink into the sea before we become slaves once again.

Commentary Analyzes U.S. 'Invasion' of Panama

PA1504140390 Havana International Service in Spanish 0000 GMT 15 Apr 90

["Our America" commentary read by Manolo Ortega]

[Text] When ordering and unleashing the invasion of his troops in Panama, President George Bush said that his goals were to detain and try General Manuel Antonio Noriega, return democracy to the country, protect the canal, and protect the lives of Americans living in the country.

At this stage of the game, no one doubts that the truth lies elsewhere. The United States invaded Panama to keep the canal beyond the year 2000, instead of leaving on that date and thus complying with what the Torrijos-Carter treaties stipulate. It would take too long to again reiterate the stories of the repeated U.S. attempts to prevent Panamanians access to that part of their national territory, which by right belongs to them. However, we should remember that following the signing of the Hay-Bunau Varilla Treaty in 1903, the United States built the canal, installed their military bases, and formed a colonial enclave—the Canal Zone—with its own governor, to thus undermine isthmian territorial integrity. From then on, interventions in Panama's electoral processes began and it must be pointed out that Panamanians have carried out countless struggles to affirm their independence. But each step forward by this people has nearly always received as reply a U.S. counterattack to force back these accomplishments.

For example, the 1903 treaty was reformed in 1936 when the article in which the United States guaranteed Panama's independence was annulled. In 1947, in the middle of huge people's movements, the U.S. troops had to evacuate the bases within Panamanian territory and remain within the so-called Canal Zone. Afterward came the bloody 1964 events, when Panamanian students tried to place their flag in the Canal Zone and were brutally repressed by the foreign troops. From then on, the people's stance was to abolish the 1903 agreement and bring about the dismantling of the colonial enclave. Finally, the Torrijos-Carter treaties established that in December 1999, Panama should administer and defend the canal. The 20 December 1989 invasion was aimed at noncompliance with the treaties by not returning the canal and keeping the military bases. The predicament is unique however, because first the Torrijos-Carter treaties would have to be abolished, followed by negotiations with the government that came to power through the invasion, which would be the equivalent of the United States negotiating with itself.

Meanwhile, the United States grants privileges to its citizens in the Canal Zone while trying to intimidate the Panamanian labor force with threats of dismissal and other measures. The U.S. invasion of Panama took place when the country was exhausted by two years of undeclared political and economic war, in the middle of constant provocations by undisciplined Yankee troops, and the saber rattling of the Bush administration in the face of certain aspects of the international moment. All these earlier events made the White House feel it had a green light to intervene in Panama, where the great mass of people were literally taken by surprise. The isthmian country and Latin America should now face the challenge of the invader's exit, and also the prevention of U.S. expansionism in other countries.

Abalkin Tours Facilities in Cienfuegos Province

FL1404024890 Havana Radio Reloj Network in Spanish 0210 GMT 14 Apr 90

[Text] Leonid Abalkin, deputy chairman of the Soviet Council of Ministers, who is heading the Soviet delegation to the 20th session of the Soviet-Cuban Intergovernmental Commission for Scientific and Technical Cooperation, has toured important facilities of economic interest in Cienfuegos Province.

During his stay at the Tricontinental Bulk Sugar Cargo Terminal, the members of the Soviet delegation toured its most important areas and were briefed on the operations of the terminal which is capable of shipping approximately 24,000 tons of crude sugar per day.

Humberto Fernandez, first secretary of the the Cuban Communist Party in Cienfuegos Province, briefed the Soviet delegation on the characteristics of the sugarcane harvest in that province. Fernandez stated that 3,000 cutters have been sent to Cienfuegos Province to work on the harvest.

The tour included visits to the Cienfuegos oil refinery and nuclear power plant, where Soviet experts and collaborators are working.

Comments on Industrialization

FL1404180790 Havana Tele Rebelde Network in Spanish 1700 GMT 14 Apr 90

[Text] Leonid Abalkin, deputy chairman of the Soviet Council of Ministers, yesterday toured economic sites in Cienfuegos Province. Abalkin is heading the Soviet delegation to the 20th session of the Soviet-Cuban Intergovernmental Commission for Scientific and Technical Cooperation. During their tour of the bulk sugar terminal, the oil refinery, and the nuclear power plant, the visitors received an extensive briefing on how these works are progressing. At the end of his stay in Cienfuegos Province, Leonid Ivanovich Abalkin offered his opinion on Soviet-Cuban cooperation.

[Begin Abalkin recording, in Russian with simultaneous Spanish translation] I think Cuba is entering one of the periods of greatest responsibility in the industrialization of its economy because of the very great potential of heavy industry calculated for many decades in the future. I have been very pleased to see that in both construction works, great attention is paid to the collectives that are working on these projects, their living conditions. This is also very characteristic of your government's policy, and naturally of the Communist Party of Cuba, which combines its efforts to build up the country's economy with concern for the workers.

Specifically regarding the Juragua nuclear plant, we were able to hear very briefly about the work of the contingents. It is a very large collective of more than 2,000 people and bears the name of Lenin. It is precisely to him that these historic words belong: The productivity of

labor will be the determining factor in the victory of the new form of social organization. In the opinion of the Soviet experts with whom I have spoken, their evaluation of this form of work is quite good, very good. [end recording]

Tours Games Complex With Castro

PA1604042290 Havana International Service in Spanish 0000 GMT 16 Apr 90

[Text] Accompanied today by Leonid Abalkin, deputy chairman of the USSR Council of Ministers, Cuban President Fidel Castro toured the facilities where the 1991 Pan-American Games will take place in Havana.

Castro and Abalkin visited the complex, which is under construction in eastern Havana. Some of the facilities under construction include a pan-American village, an olympic stadium, a swimming pool complex, a velodrome, and the tennis courts, the latter of which have already been built.

During the tour, the Cuban president and the Soviet official talked with architect Rafael Almeida, who reported that approximately 2,800 men are currently building these facilities. They also talked with Havana residents, who support the construction of the facilities for the 1991 Pan-American Games.

The high-ranking Soviet official arrived in Cuba at midweek. His agenda also included official talks with Cuban authorities on the future of bilateral economic relations.

The amount of trade between the USSR and Cuba in 1989 was the equivalent of $13.8 billion.

Commentary on Contras' Demobilization Position

PA1404040690 Havana International Service in Spanish 0000 GMT 14 Apr 90

["Our America" commentary read by Manolo Ortega]

[Text] The Central American presidents decided during their recent summit meeting in Nicaragua that the weapons to be turned in by the Somozist counterrevolutionaries should be destroyed at the demobilization site. That ceremony, if one can call it that, could represent the beginning of the end of the war in Nicaragua and the first ray of pacifying sunlight for the region. However, the latest news reports indicate that peace seems to be moving further away.

According to disclosures made recently by an anti-Sandinist leader, the counterrevolutionary forces maintain that they will say no to the Blue Helmet troops sent by the United Nations to receive the weapons and proceed with the demobilization of those forces.

These threats to continue the war surround the future of the new government elected in Nicaragua with uncertainty, but, at the same time, they have led to an increased popular insistence that this situation end once and for all.

A Central American commentator said recently that in the areas of Nicaragua that were formerly the sites of bloody fighting between the Sandinist People's Army [EPS] and the mercenaries, the latter has resumed cattle rustling and the abduction of peasants to obtain information of different kinds. The newsman added that the counterrevolutionaries have imposed a virtual state of siege in Esteli. In the evening hours, the highway between Esteli and Managua is a no-man's-land, he said in conclusion.

While the counterrevolutionaries continue their blackmail, demanding a parallel demobilization of the constitutionally established EPS; workers, students, priests, professionals, and popular sectors in general, without distinctions of political ideology, are concerned about the mercenaries' wave of vengefulness in which the mercenaries are joined by the most recalcitrant sectors of the National Opposition Union.

Among maneuvers to delay the demobilization is a document signed by the mercenaries and a delegation of the Honduran Army, by which the leaders of the so-called Nicaraguan Resistance say that, of the 4,000 men remaining in Honduras, only between 500 and 1,000 anti-Sandinists will be demobilized. President Daniel Ortega has said that this is a maneuver to gain time and evade the commitment to demobilize all the forces in the Honduran camps.

Well then, what is behind the refusal to demobilize? Anyone would think that after so many years those irregular forces would necessarily be sick and tired of war and would be more than ready to return to civilian life, particularly at a time when Nicaragua is about to change to a government that, incidentally, is favorable to their plans. However, the counterrevolutionaries do not want to lay down their weapons. It is believed that this is partially because over the years they have become accustomed to living on the basis of U.S. financial support, and also because, as social misfits, the so-called contras do not feel capable of giving up their usual life as bandits.

Undoubtedly there are other reasons, but the fact is that the demobilization is being delayed and might even not take place, which further complicates Nicaragua's future.

Dissidents Summoned to Public Prosecutor's Office

PA1504044890 Madrid EFE in Spanish 0400 GMT 15 Apr 90

[Text] Havana, 14 Apr (EFE)—Several members of the outlawed Cuban Human Rights Committee [CCPDH]

were summoned this week by the Public Prosecutor's Office for meetings with officials of that office, dissident sources told EFE today.

CCPDH Secretary General Gustavo Arcos Bergnes was one of the dissidents questioned by a public prosecutor, according to his brother Sebastian, who said Arcos had not been arrested.

The meeting with Gustavo Arcos lasted approximately four hours, CCPDH Vice Chairman Sebastian Arcos, who was also summoned by the public prosecutor's office in Havana, reported.

The same source also said that activists Aida Valdes, Jesus Yanez Pelletier, and Oscar Pena have also been summoned for a series of interviews.

Havana: Capitalism 'Scourge' in Eastern Europe

FL1304182990 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 90

[Station commentary]

[Text] A few weeks ago, an American journalist specializing in Soviet politics published an article in the United States entitled "The Lash of Capitalism," in which he analyzes from a realistic point of view the scourge with which some Eastern European countries that have decided to make a 180-degree turn will soon become familiar. Only a few days after this prediction, reality now exceeds fiction.

In Poland, the peasants have warned the government that if their harvests do not obtain better prices, especially from the state, they will go on strike. The president of the Solidarity 80 union, (Mirian Hursik), has also warned that his union will fight all the measures of the current government economic plan which tend to lower the Polish populace's standard of living. The minimum unemployment anticipated in Poland this year is 400,000 people.

In this context another journalist, (Nicolas Dubty) of the British news agency REUTER, has said that the East Germans are already receiving a short, sharp lesson on capitalism from some of the best teachers in the world on the subject: the West Germans. And he writes, verbatim: Now the harsh realities of high prices, lower wages, merciless competition, and unemployment have begun to crush dreams.

The situation is identical for the economies of Hungary, Czechoslovakia, and Bulgaria. This morning, PRAVDA, the official newspaper of the Communist Party of the Soviet Union Central Committee, published statements by the chairman of the State Committee on Prices, (Yachislav Zengachev), who asserts that they will begin to establish a market economy this year in the USSR. In the same paper, Pavel Bunich, deputy chairman of the parliamentary Economic Reform Committee, reports that according to his calculations, the number of unemployed will attain 10 million during the process of transition to a market economy in the USSR..

In Eastern Europe the basic principles of capitalism are beginning to come to the surface like hard cobblestones along the new, chosen road. The dreams of a shining paradise of consumers are beginning to tarnish, and very quickly.

Commentary Views Guatemala's URNG Talks

PA1504151390 Havana International Service in Spanish 0000 GMT 6 Apr 90

["Our America" commentary]

[Text] Various internal and external factors have made possible the meeting in Oslo, Norway's capital. At the end of March, a Guatemalan National Revolutionary Army [URNG] delegation, representing its General Command, met with a National Reconciliation Commission [CNR] delegation, accredited to support the Guatemalan Government and Army and find a political solution to the very grave crisis that is affecting the country in general. It is worth noting that the political will and broad initiative repeatedly displayed by the URNG General Command, which seeks a political solution to the internal armed conflict with its participation, has received widespread welcome among the population and has caused great domestic and international repercussions resulting in the approval and support of a broad and representative segment of Guatemalan political and social sectors.

As may be recalled, it has been the military and government who have obstinately refused to talk to the Guatemalan armed insurgents. This highlights the weaknesses, isolation, and contradictions within the Army and the ruling Christian Democratic Party. The Army sector most reluctant to talk with the guerrillas is bent on resolving Guatemala's armed conflict by means of the military, notwithstanding that it contradictorily refuses to acknowledge their existence.

It is this sector that the troops and some officers—not precisely the self-named mountain officers—blame for the hard setbacks and severe blows inflicted by the guerrilla forces, the failure of the counterinsurgency strategy, and the Army's being bogged down. For the military leadership under these conditions, the situation is something like an alley, the way out of which could be seen if Defense Minister General Hector Gramajo opted to follow and respect the letter and spirit of the Oslo agreements.

In the case of Guatemala, however, it is not just simply ending an undeclared war that has lasted nearly 30 years. In the opinion of the Guatemalan revolutionaries, the help of all who favor democracy and peace is needed to establish the basis for a great national accord that will ensure for Guatemala a serious process of dialogue and talks to resolve the historic and fundamental structural

causes that have generated the domestic armed conflict, which still remains intact. These justify and give validity to the democratic project, and the patriotic and popular struggle by the armed Guatemalan revolutionary movement.

Compliance and implementation of the basic agreement to seek peace through political means, signed in the Norwegian capital on 30 April, depends then on the will and political attitude of the sides in the conflict. The Guatemalan revolutionaries are precisely the ones who have shown the most willingness and will, and who have made the most efforts in favor of peace in Guatemala. Their widespread political and diplomatic initiatives and their meaningful advances in the battlefield permit the insurgents to sit down at the negotiating table with enough resources and conditions to ensure that the Oslo agreements are respected and complied with; that Guatemala enter a true process of democracy in its institutions and structures, with broad national support and international solidarity; and that peace is reestablished—an honorable peace with dignity that guarantees social justice and independence, progress, and well-being.

Brazilian Workers Party Leader Arrives for Visit

FL1404174690 Havana Tele Rebelde Network in Spanish 1700 GMT 14 Apr 90

[Text] Luis Inacio Lula da Silva, federal deputy of the National Congress of Brazil and leader of the Workers Party, was met at the Havana airport by Armando Campos, deputy chief of the America Department of the Central Committee, and Brazilian Ambassador to Cuba Italo Zappa. On this occasion, Luis Inacio Lula da Silva is visiting Cuba by invitation of Commander in Chief Fidel Castro.

During his stay he will tour socioeconomic development centers in the country and meet with party and government leaders. He is accompanied by his wife, Maritza da Silva; Mr. (Luis Huchiken), a federal deputy and chairman of the Workers Party; Mauricio Suarez, mayor of San Bernardo, a municipality in Sao Paulo State; and Jose Gomez, an agricultural businessman.

Luis Inacio Lula da Silva was a candidate in the recent elections in Brazil and received more than 31 million votes, five percent less than elected President Collor de Melo. Lula, as he is known throughout the world, was one of the founders of the Workers Party in 1980; four years later this organization established official relations with the Communist Party of Cuba.

GRANMA Notes Faults in Debate on Congress

FL1304123890 Havana Tele Rebelde Network in Spanish 1100 GMT 13 Apr 90

[Text] With the headline "Aware and Active Participation is Required," GRANMA states today that the schedule for discussion of the call for the fourth congress of the Communist Party of Cuba will be extended. The essential thing is the quality of the debates and that all the opinions be considered by the congress's organizing committee. GRANMA says that the initial assemblies to debate the call for the fourth PCC congress show the need for more correct guidance and greater priority for this process.

GRANMA adds that in the current context there is a natural tendency for the meetings held to discuss the call to become rallies of revolutionary affirmation, which is also consistent with the content of the document: in which our determination not to yield, to remain faithful to Marxist-Leninist principles, and to continue building socialism with the spirit of Baragua is expressed.

But along with this, the call unequivocally expresses the conviction of the party leadership that our society can and should be improved, and in this regard it sets forth a number of issues and thoughts that will be part of the fourth congress's agenda and about which the entire people have been called to express their opinions, suggestions, and points of view within the framework of a process of open, sincere dialogue. Specifically, we must understand that aware and active participation is required in the discussion of the call at these meetings, in the understanding that one is thus fulfilling one's duty to contribute to the effort to expand rectification and improve our society and our socialism.

In another part of its lengthy front-page article today, GRANMA states that press items on some of these assemblies have in fact served to expand on an incorrect message, since discussion has been limited to the specific matters of the work centers, when it is really a question of more general issues in our society.

DPRK President at Pyongyang Embassy Reception

FL1304142590 Havana Radio Reloj Network in Spanish 1402 GMT 13 Apr 90

[Text] Top DPRK leader Kim Il-song attended a reception held at the Cuban Embassy in Pyongyang to celebrate his 78th birthday. In the presence of high-ranking leaders of that nation's party and government, Cuban Ambassador Juan Jose Leon Vega gave the president a basket of flowers, a letter of good wishes, and a present. The reception took place in the fraternal climate that marks the special relations of friendship between the two countries, which uphold the banners of socialism and anti-imperialism, the Pyongyang press reported. It was because of these particular fraternal ties that the DPRK leadership decided on Kim Il-song's visit to the Cuban Embassy on his birthday, which is a national holiday in that country.

* Training at Cayo Conuco Naval Center Described

90CA0006A Havana VERDE OLIVO in Spanish Jan 90 pp 45-49

[Text] We pointed the bow of "El Mambi" towards Cayo Conuco, which is located in San Juan de los Remedios

Bay north of Caibarien. Because of its proximity to the coast, its rugged geography can be seen from the city's ancient wharf.

In a few minutes the vessel was churning the calm waters of the Macuca channel, which meanders from the bowels of the mangrove swamp to terra firma. It was not until we were sailing through the last and only straight stretch that we made out our final destination: the Integrated Center for Naval and Special Training, an unusual school on a unique key.

One is just as likely to see a uniformed militiaman there as one in shorts or bathing trunks (at least in the messroom, of course). And if one tours the school's 13 square kilometers, one will find woods of carob, mango, and mastic trees...not to mention swamps.

"Cayo Conuco is part of a unit that is subordinate to the Provincial Training Center for Defense in Villa Clara," explained Ship of the Line Lieutenant Bernardo Hernandez, the chief of the unit. "It was used for the first time in October 1986 during a class for the Provincial Council. Instruction for the MTT's [Territorial Troops Militia] began in February 1987, and Raul inaugurated it 4 months later."

It then became a suitable spot for providing military training to the men of the People's Navy, who could thus specialize in combat at sea, along the coast, and on keys, as well as to fishermen, port workers, and Inder [National Institute for Sports, Physical Education, and Recreation] workers involved in nautical activities....

Adapting to Life in the Keys

As soon as we disembarked, we saw how natural and man-made elements are combined with an eye towards training. We learned that the center had been built without a single tree being felled.

There was no breeze blowing at the time, as is usually the case in these parts, and the mosquitoes and gnats were enjoying their blood "transfusions." They stepped up their offensive when we sailed into a narrow channel with a roof of dense foliage that connects to the nearby lake. We were on our way to the temporary training base.

There the militiamen practice how to survive on a key at the expense of nature: flora, fauna, and timber that they sight. The main weapon here is silent, stealthy action. The primarily practical classes (more than 90 percent of them) are thus the most important ones at this school. Here, the students maintain their logistics base on their own, in some cases, build their own tools in the field, plunge resolutely and self-confidently into the murky waters, and smear their bodies with mud, in spite of the stench, to camouflage themselves.

Accompanied by Corvette Lieutenant Yera, a recently graduated engineer from the Cuban Fishing Fleet who is doing his social service with this unit, we toured a stretch of the obstacle course. While the demonstrations were going on, Reinaldo Guevara, a student in the Special Naval Group, remarked: "Along the path it's very frightening at first to lower yourself down the cable with the pulley. But that's nothing compared to when we were raw recruits and did our night swims in open water, where the slightest noise scares you, especially if you get the advance-guard point. Over time it goes away. Experience overcomes fear."

On other training ranges they were demonstrating the usefulness of secret shelters, practicing the people's anti-aircraft defense, blowing up ships and boats at anchor. Some were practicing communications via signals and carrier pigeons or learning how to attack an enemy camp, to tell medicinal plants apart, and to preserve fish and meat....

Mine-clearing and -planting is one of the center's specialties. We had our doubts and asked a young man taking this course whether it was true that a mine specialist cannot afford to make a mistake: "It's part of my profession. I'm a diver," replied Jose Martinez, 23. "I have the training to mine any part of a ship, canal, or bay, and to deactivate mines. If you learn the right way to do it, if you pay attention in class, if you act without fear, there won't be any problems."

Difficult Training an Advantage

The next morning we boarded "El Mambi" again and sailed to the Border Guard pier. Once the documents and navigation permit were in order, we transferred to "El Peto," a bonito boat. We needed to sail out to sea for the underwater photographs of the combat diving, because the waters by Conuco are always cloudy owing to the abundant gulfweed and mud on the bottom.

We accompanied a group of young men in the reserves who train periodically on the key. Most do not smoke or smoke little and engage in sports, mainly judo or karate.

During training they swim 8 hours a day (including at night), increasing their distance every other day. "But we consider it an advantage to train in this bay," said Guzman. "The poor conditions here make combat in clear water easier later on. The constant sun, the brine, and the oil irritate your lips and eyes, and we need cold compresses. But you get used to it all."

As we were conversing, the ship headed northwest towards the Boca Chica canal by Cayo Fragoso. "El Peto" was doing 8 knots, and little by little one could sea the sandy bottom through the water, which never became crystal clear, though. Tomas, the skipper, and Jorge, the engineer, were piloting the vessel, while the tasty smell of yellow rice with canned meat that Leonardo was cooking up competed with the odor of brine.

"The training is really good for your physical fitness, stamina, and health," emphasized Antonio. "For instance, it's helped Fidel and Dagoberto, who both have asthma, to maintain a steady rate of breathing. We've mastered the technique of land-to-land and sea-to-land

jumps, and infiltration, and we're learning about mutual cooperation and unity among us all."

Carlos, Roberto, and Octavio related that Roberto had been detected during a nighttime infiltration maneuver, and the combat alert at the camp began to sound. But Roberto had already captured a militiaman, taken away his shirt and AKM, and showed up at the command. He asked for the chief and pointed his gun at him, barking: "The unit has been taken." Someone then shouted: "Gentlemen, this got messed up. The exercise is over."

"To penetrate we used the camouflage techniques that they taught us," Octavio explained. "We got through the all-around defense and infiltrated. The militiamen, who are also familiar with these techniques, walked by me several times with flashlights but didn't see me. Although they detected Roberto, we accomplished our mission of taking the command. We were even congratulated by the chief of the regiment!"

We anchored at Boca Chica. The lush foliage made the landscape look somewhat exotic. The instructors, Frigate Lieutenant Pando and Corvette Lieutenants Ortiz and Montalvan (both rookie engineers with the Fishing Fleet), and Lt Luis searched for the best spots along with the photographer.

In the late afternoon the ocean current grew stronger in the channel, and the men were forced to swim against it. It was dusk, and we had to return. The star of day was sinking quickly below the horizon, while on Cayo Conuco some militiamen were preparing to spend the night, as others, in formation, swam through the dark waters. Recorded in my notebook are the impressions and incidents of a week's stay on the nearby keys. But this is material for a subsequent article.

Inter-Caribbean Affairs

Commission Officials Say Caricom Not Failure

FL1304213190 Bridgetown CANA in English 2109 GMT 13 Apr 90

[Text] Bridgetown, Barbados, April 13, CANA—Two former Caribbean Community secretaries general have dismissed suggestions that the integration process has failed and that a new direction is needed to ensure Caribbean unity.

"One must by no means underestimate the achievements of the integration movement of the Caribbean; we have made remarkable advances...," Alister McIntyre, provice chancellor of the University of the West Indies and a former secretary-general of Caricom, told reporters.

"We have had difficulties with the Common Market but we are not the only integration grouping in the Third World that has difficulty with their common market arrangements," he added. "...We cannot expect to transform 300 years of colonial economies overnight. We need time to transform the constituent economies of Caricom into a single market, not in textual but in real terms and that is going to take a sustained effort."

He said West Indians "must stop talking about Caricom as a failure" because the integration movement in the Caribbean "has been one of the most successful in the Third World." Politicians, academics, entertainers and the news media often highlight what they see as the failings of the community and urge fresh social, economic and political cooperation among regional countries.

William Demas, another former Caricom secretary-general, said given the areas of cooperation within the member states, "it is certainly not correct to say that Caricom has failed".

"Caricom has not scored one hundred marks...It has not done extraordinarily well but in all its three aspects ... Caricom has been reasonably successful at a time when most of the integration groupings in the Third World have de facto collapse...," he remarked.

"We have survived with a certain amount of resilience where most of the integration movements in the Third World have failed."

Both McIntyre and Demas are members of a 15-member West Indian commission given a two-year mandate to look at ways of deepening and widening the region's economic integration movement, the education system and aspects of political unity. They agreed that the problems of debt and economic adjustment were hampering the integration process, but noted that Caricom was seeking solutions.

"We have vigorous programmes in those countries in the region involving structural adjustment and economic recovery and we are very much involved not just as Caricom, but alongside other Third World countries in pushing very hard for some kind of solution of the debt problem particularly in so far as it affects the Caricom countries," Demas, the governor of the Central Bank in Trinidad and Tobago, said.

Expert Promotes Hybrid Electoral System

FL1304204790 Bridgetown CANA in English 2025 GMT 13 Apr 90

[Report by Albert Brandford]

[Text] Bridgetown, Barbados, April 13, CANA—University of the West Indies lecturer Dr. Patrick Emmanuel wants to see a hybrid electoral system to remove "absurd" anomalies in both the "first past the post" and proportional representation systems used in the Caribbean.

Speaking on Canaradio's Caribbean Crossfire programme Thursday [12 April] night on the merits or demerits of the systems, the political scientist called for the blending of the two to avoid the recurrence of situations such as St. Vincent's where one political party

won all of the seats in parliament even though another had a substantial percentage of the total votes cast.

"It seems to me that it is absurd that 13,000 people representing 30 or 40 percent of the electorate of a Caribbean country of the size of St. Vincent, which is a typical OECS (Organisation of Eastern Caribbean States) society, should be denied representation in parliament because of the technical flaws in an electoral system that denies them that representation," he said.

Dr. Emmanuel felt that in the St. Vincent situation, support for the other party would have had to have been concentrated in between three to six constituencies in solid numbers to effectively gain representation in parliament. He pointed out, however, that the support was dispersed across the country in proportions that in no one constituency did it weigh enough to bring even one representative of the party into parliament.

The political scientist was sharing the panel—discussing whether people got what they wanted under either system—with Trinidad and Tobago constitutional lawyer Dr. Fenton Ramsahoye; Stanley John, of the opposition St. Vincent Labour Party; and Grenadian social commentator Dr. Reginald Buckmire.

Dr. Emmanuel said he was surprised that the issue had not been canvassed more widely across the Caribbean, particularly by the smaller political parties.

He noted that in Guyana, the only Caribbean Community country with a proportional representation system, the Constitution allows for election of half of the membership of the assembly in the traditional manner, but regretted that the government there had never used that option.

The fairness of representation under either system, he said, had nothing to do with the political culture of the country since the St. Vincent-type situation could occur anywhere, as it did in the United Kingdom, so long as balance was not built into the system.

He suggested that the flaw had to be corrected first at the level of the constituency size so that the one-man, one-vote system could carry weight across the country "because one vote in a 26,000-size constituency is not the same as in a 13,000-size constituency."

"The bottom line is not to interfere with the commanding majority that the government wins out of the first past the post system," he said, "but at least to begin by building into our electoral systems that a party which achieves a five, perhaps, 10 percentage point of the popular vote, will, if it did not win any seats in the traditional electoral system, be entitled to the following number of representatives in proportions of 10 percent as the case may be."

He stressed that this would not do anything to the commanding majority of the government since he was not suggesting that any seats be taken away.

"I'm saying that you devise a system that adds on a proportionality basis to favour the opposition which has been denied representation in one system but is being allowed in another," he remarked.

Dr. Emmanuel said there were problems of political culture which no electoral system no matter how sophisticated and well administered could solve, but the problems of political culture, behaviour and perception tended to be intractable.

He noted that the important part of the discussion had to do with electoral reform in the Caribbean; the possibilities of reform to permit a democratic expression of the will of the populace inside of the parliament of the country.

"And, I believe," he said, "it is conceivable and practicable to blend the two principles of representation—the simple majority, single past the post system and the proportionality principle—in such a way as to obviate and put aside the possibility of a large section of the electorate voting for a party which winds up with no representation in parliament."

He added: "This is manifestly absurd and it is both technically and politically possible to alter that circumstance in the life of the people of the Caribbean."

Trinidad and Tobago

U.S. To Help in Charting National Waters

FL1304183890 Bridgetown CANA in English 1736 GMT 13 April 90

[Text] Port of Spain, Trinidad, April 13, CANA—Trinidad and Tobago plans to get American help in charting its Exclusive Economic Zone (EEZ), the Government here said. Cabinet has given permission to the Food Production and Marine Exploitation Ministry to sign an agreement with the United States' Defense Department, Naval Oceanographic Office, and the Defense Mapping Agency. Their help will be in carrying out hydrographic surveys and nautical charting of Trinidad and Tobago's EEZ.

The work is to be done in Trinidad vessels with the U.S providing technical support, advisory services, and personnel to help carry out the survey. The original survey data will be kept by the Government of Trinidad and Tobago. The survey work is part of an overall thrust to chart Trinidad and Tobago's marine and submarine resources as well as map out the areas under its jurisdiction.

Salinas Comments on Ways To Win Drug War

PA1304233190 Mexico City UNOMASUNO in Spanish 3 Apr 90 pp 1, 10

[Report by Victor Torres]

[Text] In reaffirming that the struggle against drug trafficking is a priority issue because it can threaten public peace and the life of the institutions, besides generating a chain of corruption, President Carlos Salinas de Gortari said that this war can be won and he presented ways to do it: increasing preventive measures and community participation, and strengthening social protection by applying a policy of solidarity and economic growth to upgrade the standard of living of all Mexicans.

During the installation of the Anti-Addiction Council in the Federal District, the chief executive said that in the antidrug struggle—a problem that has not yet reached the proportions of industrialized countries—we must consider that 60 percent of the juvenile delinquents who are old enough to be legally held responsible for their actions were affected by drug consumption. In this regard, he pointed out that no efforts should be spared when the health of our youths is at stake.

During a ceremony held at the Adolfo Lopez Mateos Room of the Los Pinos official presidential residence, Salinas said: "We will not allow the cancer of drug consumption to control our youths. Let us make Mexico a free territory, not only free from drug transshipments but also from their consumption."

Previously, during the inauguration of the Annual Sports Congress at the Carranza Room, the president said that a better sports infrastructure must be offered to youths to prevent them from resorting to drugs.

After listening to several speeches explaining what the Anti-Addiction Council is, the president of the Republic said that the opportunity to really fight drug consumption must not be wasted, because the health and integral development of youths must be drug free.

The antidrug struggle is a responsibility of government, family, and society, who must guarantee the health and the well-being of youths. However, the key is prevention and a change in attitude by emphasizing love, respect, and solidarity, Salinas pointed out.

He said that there is a need to provide more objective information to families and teachers, because there must be a broad mobilization in light of a problem that could have serious consequences to our social fabric, because it is not enough to say that our problem is not yet as generalized as in other countries.

Salinas said that the struggle must cover drug production and trafficking, because the above are the bases for security, a productive future, and internal strength. He added that efforts are being intensified to bring about a tangible improvement in housing and, because of this, we must generate more jobs, offer quality education, offer better access to health and housing services, and set aside space for recreation and sports.

We seek to respond with justice to demands as they arise at their source, otherwise, we will later have to face the same problem in big cities. We need the Federal District to have broad effective plans to prevent and fight drug trafficking and recruit city youths in the effort by meeting their enthusiasm and energy with the means to improve and train them, and by providing opportunities for work and leisure activities, Salinas said.

As for the three points to fight drug trafficking, he pointed out that, besides prevention, we must stress rehabilitation. The respective committees must secure the participation of the community in coordination with health, academic, and research institutions; and strengthen social protection through agreements among the various authorities to emphasize the fact that prevention is better than punishment.

At the sports congress, President Salinas said that sports must continue to be promoted to ensure that youths have greater opportunities to channel their energies in other positive activities, and, consequently, to prevent them from falling prey to vices and drug addiction.

Government Protests Comments by Panama's Endara

PA1504015690 Mexico City UNOMASUNO in Spanish 3 Apr 90 pp 1, 9

[Text] Through a diplomatic note sent by the Mexican Foreign Relations Secretariat on 2 April, the Mexican Government lodged a strong protest with the Panamanian Government after confirming the statement made by Panamanian President Guillermo Endara Galimany on 31 March regarding Mexico and its foreign secretary.

In the note, the Mexican Government tells the authorities of that Central American country that it hopes they will ensure the security of the embassy and the safety of the embassy personnel, the Panamanian citizen who has taken refuge there, and the Mexican citizens who live in that country.

Here is the communique from the Mexican Foreign Relations Secretariat, dated 2 April:

The Foreign Relations Secretariat reports that today, after confirming the statement made by Guillermo Endara on 31 March in Changuinola, Bocas del Toro Province, Panama; the Mexican Government immediately sent a diplomatic note to that country's authorities in which it forcefully protests the comments made regarding Mexico and its Foreign Secretary.

The note from the Mexican Government stresses that, in addition to revealing that he is insufficiently informed about the Group of Rio's most recent meeting, comments such as those made by President Endara are incompatible with the mutual respect that must prevail between nations.

The text of the Mexican protest note reminds the Panamanian authorities of the traditional ties of friendship and cooperation that have existed throughout the years between the Mexican and Panamanian peoples. The note also mentions Mexico's significant effort in 1989—together with the rest of the countries of the area—in favor of democracy, the self-determination of peoples, and nonintervention; at the OAS XXI Ministerial Consultation Meeting on the situation in Panama.

In the diplomatic note, the Mexican Government expresses its hope that the Panamanian authorities will ensure the security of its diplomatic mission and the safety of the embassy personnel, the Panamanian citizen who has taken refuge there, and the Mexican citizens who live in that country.

Columnist Upholds Country's Stance on Asylum Law

PA1404135590 Mexico City UNOMASUNO in Spanish 2 Apr 90 p 9

[Article by Juan Hoffman Calo: "Mexico and Its Moral Stature"]

[Text] The special autocracy of Guillermo Endara, the Panamanian president imposed by U.S. occupation forces following a brutal military invasion of that sister country, today faces a Mexican tradition—our immovable foreign policy on the asylum law.

One should not see an act of justice by the illegitimate Endara regime in the case of Rafael Arosemena Alvarado, a former Panama National Bank director accused of embezzlement, but basically a political persecution for his having aided the pro-Noriega administration.

What moral authority can a person have who has attained political power by serving a foreign power, by swearing loyalty to the betrayed fatherland's Constitution on a foreign military base, by accepting presidential investiture from foreign military authorities, and by negotiating power in exchange for the profits of the Panamanian canal by foreign hands. The same hands that are trying to erase what was agreed upon in the Torrijos-Carter treaties, through which the Pananamian people would once again exercise their sovereignty over the canal at the end of the century.

It is not farfetched that the Arosemena case, now fanned by the big U.S. press, could become another weapon of pressure by our northern neighbor, through its puppet Endara, to extract new political and economic advantages.

President Carlos Salinas de Gortari's regime has all the moral force of the law, the history of our country's foreign policy, and a democratic and lawful origin; to oppose the pressure and whims of a president, a diligent representative of a foreign power that today brutally occupies our America's geographical waist, and not the representative of a respectable people like the Panamanians.

Mexico has been the home of Spanish exiles following the brutal Franco coup; it has received Chileans that fled Pinochet's bloody regime, and it has given shelter during all times and under all circumstances to the politically persecuted of all persuasions; no matter what rank, nationality, or belief.

Mexico's straight course must be maintained, even when there are interests that are already moving to weaken Salinas' policies.

Because of our moral stature, our foreign policy cannot and should not fall into the inhuman submissiveness that an embassy in Panama has already displayed against government head General Manuel Antonio Noriega.

Editorial on Damaged Relations With Panama

PA1404012890 Mexico City UNOMASUNO in Spanish 2 Apr 90 p 3

[Editorial: "Panama: Damaged Relations"]

[Text] Guillermo Endara, who became president of Panama thanks to the patronage and protection of the U.S. Government, lashed out against Mexican Foreign Secretary Fernando Solana as a result of mistaken information and in disregard for the basic norms of coexistence among civilized persons, not to mention international diplomacy. The matter gains greater importance, despite the person who provoked it, because offensive statements were made by someone who heads a government; even though its origin may be doubtful and illegitimate, involves an entire nation, and damages the international relations, in this case between Mexico and Panama, whose peoples have had a fraternal relationship for 100 years.

The Foreign Secretariat immediately proceeded to issue a statement on what Endara had said. The brief note issued by the Mexican Foreign Secretariat states that "Secretary Fernando Solana has made no statement in his name or in the name of the Mexican Government regarding Panama or its authorities." The note clarifies, however, that there was a communique issued by the Group of Rio (known as the Group of Eight prior to the Panamanian conflict) that includes, among other issues, the matter of Panama, and which was released by the seven foreign ministers during a news conference held on Friday [30 March] following a meeting. The Foreign Secretariat ratified that document.

The Mexican note attracts attention because of its importance and because of the fact that it only mentions Mr. Endara and never the president of that country. The observance of rules is essential in these matters, and even though Mexico practices the policy of nonintervention in the internal affairs of other countries, it is only fair and for the good of the best causes to bring attention to the way in which a sister country that has deeply experienced abuses and colonialist invasions is ruled.

The international public has extensively covered the Panamanian issue and the U.S. invasion of that country. Mexico's inveterate policy, based on our international doctrine, has been one of noninterference in the internal matters of other countries. That idea, obviously, has not been set aside by the statement issued by the Group of Rio that suggests the legitimacy of Endara's presidency. And more significant yet is the attention called to the need for the foreign troops to restrict their activities exclusively to their military bases and refrain from interfering in matters that are exclusive to Panamanian sovereignty.

The foreign ministers of Mexico, Argentina, Brazil, Colombia, Peru, Uruguay, and Venezuela pointed out in the joint communique that Panama's process of democratic legitimacy calls for an election, without foreign interference, that will guarantee the full implementation of the rights of the people to freely choose their rulers.

The relations with the canal country are at their worst point because Mexico, faithful to its policy of respecting the right of asylum, has granted this right to Rafael Arosemena, who was general manager of the National Bank of Panama during General Manuel Noriega's government. Arosemena remains at the Mexican Embassy because the Panamanian Government has refused to issue a safe-conduct for him to leave the country. The Mexican Foreign Secretariat will have to use a good dose of political acumen when it requests an explanation for this. It must attempt to solve the issue of political asylum, but, at the same time, it must avoid interfering in matters that are not of our competence while also not forgetting our Panamanian brothers who have suffered an unjust foreign intervention and its painful consequences.

* Changes in Critical Current Strategy Cited

90EM0115A Mexico City PROCESO in Spanish 26 Feb 90 pp 6-9

[Article by Elias Chavez]

[Text] Critical Current [CC] has rebelled and is taking "direct action."

It's urging PRI followers to disown their "pretentious and hypocritical" leaders including Luis Donaldo Colosio "if necessary." They want to postpone PRI's 14th national assembly in the absence of guarantees that it will be "a truly democratic assembly." The group is calling on all Mexicans to "re-found" the ruling party.

On the eve of the 61st anniversary of PRI's founding, CC leaders are calling the announced reorganization of the CNOP [National Confederation of Worker and Peasant Organizations] "an exercise in antidemocracy and sham." They're calling for a show of statesmanship and democratic conviction from President Carlos Salinas de Gortari. "We confide in his tolerance."

"Gorbachev just struck article six, which granted the CPSU monopoly power, from the Soviet constitution," they note. "President Salinas should take a similarly historic and disinterested step. He should let the members vote for the leaders of their choice and join the party that most suits or satisfies them."

In addition to accusing Luis Donaldo Colosio of only pretending to democratize PRI, the CC leaders say he's broken the promises he made upon becoming party chairman. They also have harsh words for Rafael Rodriguez Barrera, Roberto Madrazo, and Abraham Talavera whom they regard as the most antidemocratic members of the PRI National Executive Committee.

They released a list of state governors headed by Mariano Pina Olaya of Puebla who are boycotting the democratization of PRI. Almost two thirds of the nation's governors are on the list.

CC National Coordinating Commission members interviewed by PROCESO included Rodolfo Gonzalez Guevara, Carlos Barrios Honey, Arturo Santillana, Alejandro Rojas, and Raymundo Garcia Lopez. Their remarks open the debate leading up to the 14th national assembly in which PRI is supposed to undergo renovation and democratization.

They have announced that CC will cease to be just a group of like-minded people. They plan to form a civil association and seek legal recognition as a group operating inside and outside PRI. They want to become a driving force behind social movements for democracy and social justice.

At a round meeting table in his office Gonzalez Guevara explained:

"We're worried about the apparent decision of the PRI national leadership to make the party's ideology and the way it functions fit the government's economic policy. We consider that policy neoliberal and contrary to the basic precepts of the Mexican Revolution. This shows that the attempt to make PRI independent from the government was thwarted. We see no possibility in the least of achieving this independence which is fundamental to starting any process of full democratization."

According to Gonzalez Guevara, the government and PRI are setting aside such constitutional provisions as articles 3, 27, and 123, which embody principles of social justice. It's replacing them with Pronasol [the National Solidarity Program].

"What's more," the CC leader added, "in a recent speech in Tlaxcala, PRI president Luis Donaldo Colosio seemed to be hinting that he wants to change the party motto from 'Democracy and Social Justice' to 'Democracy and Solidarity.' This is particularly serious in light of something we all know. The idea of solidarity comes from Catholic Church doctrine. It underlies the principle of 'the common good' which is a founding tenet of PAN [National Action Party]. We should remember that when

PAN nominated Efrain Gonzalez Morfin as its candidate for president of the Republic, this ideologue proposed 'solidarism' as the basis for his program of government."

Given this situation, the CC leaders will demand that Colosio suspend the PRI national assembly until a democratic assembly can be guaranteed. They will call on him to live up to the commitments he assumed upon taking over the party leadership.

Gonzalez Guevara recalled Colosio's promise to prepare a PRI membership roll as a prerequisite to the process of democratization inside the party. However, "those of us who belong to PRI know that a reliable and objective membership roll doesn't exist. And in the wake of this grave omission others follow such as [failure] to hold democratic assemblies to elect sectional steering committees or to hold similarly democratic municipal assemblies for the same purpose. And we can stop right here since we know that if the first step in the democratic process hasn't been taken, then neither have the second and third. Added to this is the very serious problem of corporativism which is a major obstacle to democratization. If the party's sectors still practice the same old antidemocratic vices, we can safely say that under these conditions delegates to the 14th national assembly won't be selected democratically. So how can the party be so dramatically transformed or restructured in the absence of democratic discussion prior to the assembly and, above all, prior to calm, orderly, and objective discussion of all these problems by the assembly itself?"

Party Lacks Credibility

Gonzalez Guevara wants democracy and social justice to remain the guiding principles of PRI. However, he knows most Mexican citizens are young, and "the principles of the party and the principles of the revolution don't appeal to them any more." CC youth leader Ramiro de la Rosa spoke to this point:

"We propose the re-founding of PRI. Although President Salinas has gained credibility through some government actions, PRI isn't going to reflect this credibility in the 1994 elections. Costa Rica provides a very clear example of this. It has the lowest unemployment and inflation rates in Latin America. Yet the party of a president with high visibility and lots of credibility lost the election and was defeated. Something similar could happen here in Mexico. While Salinas has won some points, PRI is doing a nosedive in the opposite direction. People don't believe in our party. In society at large, PRI is synonymous with corruption, embezzlement, and fraud. This is why we think the only way to regain credibility is to found the party all over again. The party must return to its ideological senses as formed in the Mexican Revolution but in the light of present circumstances and one key question.

"What does being a revolutionary mean to this country's youthful majority? To the young this concept held over from 1910, 1920, or 1940 has no meaning. Today's young demand that the concept of 'revolutionary' be revitalized. They want the concept of 'revolution' to be given a new context and updated in terms of the new circumstances.

"This makes us think that if all they do is change the party's name while keeping the same men and the same methods, the result will be a farce. In this country's modern history we regard the PRI as a barrier to democracy. We insist upon the re-founding of the party, a step which will oblige us to seek the participation of Mexican society as a whole. We must all join in the re-founding of the party with new speeches, new scenarios, new subjects, and new demands. This brings CC to the realization that our task goes beyond democratizing the PRI. Our goal is the democratization of Mexico."

Carlos Barrios—a former federal legislator and PRI leader in the state of Mexico—noted that within CC there are differing ideas about PRI's future, but, he said, everyone is operating on a single premise:

"We will never leave or be driven out of PRI because it's our party. If someone must leave, it will be the ones who misled it and used it for personal gain and not for the good of the nation."

PRI, according to Barrios, has "perfected its systems of fraud and dissembling." The process of democratization its leaders are so proud of, he said, "is a farce."

He explained that the selection of leaders and candidates for elective office is still by "dedazo [the practice of appointment from above]." Instead of being freely elected by the rank and file, delegates to party assemblies are appointed by "higher authorities." In addition, elections continue to be rigged with the complicity of governors and mayors.

This "democratizing farce" led the CC National Coordinating Commission to adopt the following resolution:

"To deny recognition to all sectional, municipal, and state leaders or committees and, should it become necessary, to the National Executive Committee if any of these violate party statutes, if by act or omission they harm the PRI, their communities, or the nation, or if they take action contrary to the fundamental principles of the Mexican Revolution."

Upon removal of unfit leaders from office, CC urges members of PRI "to assemble at the appropriate level and elect at once a substitute provisional committee and issue a peremptory call for a new general assembly to elect permanent leaders."

Carlos Barrios justified what some might regard as getting out of line and others as rebellion in the following fashion:

"All power, authority, or control derives from the majority that confers or grants it. And if active members of PRI are not taken into account despite their claims,

their work, and their contributions, and if in addition the leaders took office illegitimately and through manipulation, then the rank and file is entitled to refuse to recognize those leaders."

Gonzalez Guevara pursued this point.

Breeches of Discipline and the Right to Criticize

"I agree that this could amount to a breech of discipline as defined by the party statutes. But these same statutes also uphold the right to criticize. Even the basic documents affirm that there is no democracy and no way for the party to function as such in the absence of criticism. Thus before the party can impose discipline, it must first provide for the discussion of problems in a democratic manner. They cannot accuse us of being undisciplined when they give us no chance to discuss party problems. So even though they could say we're undisciplined, the charge doesn't stick because the PRI is undemocratic."

Carlos Barrios and Alejandro Rosas explained that President Salinas and Luis Donaldo Colosio are surrounded by advisers, officials, and leaders opposed to democratization. Barrios referred specifically to party secretary Rafael Rodriguez Barrera in this regard.

"Rodriguez Barrera is not living up to his commitments. He's dissembling. He's a trained and experienced politician, but he's boycotting the democratization of the party."

"Carlos Barrios is being polite," Gonzalez Guevara said. "He's letting the leaders of the party off very lightly. In fact we're being objective rather than subjective in naming those who are clearly opposed to change and those who are at least trying to change. And foremost among the leaders who oppose democratic change by word and deed is Rodriguez Barrera. He's made statements against CC and assumed an authoritarian attitude within the party. As an example, he accused the Party of the Democratic Revolution of contributing to social disintegration and called for its virtual disbanding. It seems incredible to me that the PRI secretary general would make such a suggestion. And the conduct and statements of Organization Secretary Roberto Madrazo aren't much better. Roberto's case is even worse given the kind of man his father was. I wouldn't say Roberto Madrazo is living up to the example of democratic dignity set by Carlos Madrazo. A third person whose attitude strikes me as equally incredible in the light of his past behavior is Abraham Talavera. He too has taken a hard-line position against progress and democracy. Compared with these people, Colosio stands out as someone who gives the appearance of wanting change, but it's only an appearance. He's done nothing profound or concrete on behalf of democracy within the party. It could be that Senator Colosio really wants to promote change but is surrounded by a bureaucracy headed by these three and bent on creating obstacles to democratization."

Arturo Santillana charged that the group opposed to democratization includes most of the governors. In addition to appointing the PRI leadership in their respective states, Santillana said the governors manipulate Colosio. They use their influence to make sure the person he selects as national party representative in each of their states meets their approval.

Ramiro de la Rosa read some of the names from his list of the "most antidemocratic" governors.

"Mariano Pina Olaya of Puebla is in first place. He's followed by Salvador Neme Castillo of Tabasco, Rafael Corrales Ayala of Guanajuato, and Jose Francisco Ruiz Massieu of Guerrero. The totalitarian attitudes displayed by Ruiz Massieu have surprised us because he was the first PRI man to come out in favor of democratization. He acknowledged the need for criticism and different outlooks within the party. Miguel Angel Barberena of Aguascalientes...."

Ramiro de la Rosa was cut off by Gonzalez Guevara, who spoke in a soft considerate voice as if seeking permission to interrupt.

"I want to clarify something," he told the reporter, "and I urge you to make sure it's published. Because of the way PRI is structured and run, the party steering committee in each state (except Baja California) answers to the governor. Just as the National Executive Committee is in absolute thrall to the president of the Republic, the governors have authority over their state committees. A moment ago I mentioned Barberena as one of the governors opposed to change. But I really think I overstated myself. Barberena was general secretary under Reyes Heroles whose executive committee was among the least authoritarian. We couldn't call it democratic because the party's structure doesn't allow democracy. But it's clear from a doctrinal and ideological standpoint that Reyes Heroles is the one who contributed most to the party. And I point to him as one of the two or three greatest chairmen in the party's history. I don't want to contradict Ramiro, but I want it clear that I leave Barberena off the list of undemocratic governors."

But Ramiro de la Rosa and the others wouldn't back down. They repeated the name of Barberena upon continuing the list of "most antidemocractic" governors. "We have the case of the governor of Durango, Jose Rodriguez Gamero; the sad and lamentable case of the governor of Nayarit, Celso Delgado, who, in addition to resisting democratization, has put friends—mainly thugs—in official positions; the governor of Campeche, Abelardo Carrillo; of Coahuila, Eliseo Mendoza Berrueto; the case of a woman who has always talked about democracy but does not practice it, Governor Beatriz Paredes of Tlaxcala, the pathetic case of Leopoldino Ortiz in San Luis Potosi...."

Those with Saving Graces

At this point Arturo Santillana was the one to interrupt.

"It would be better to do this in reverse. Let's single out those willing to change. There are fewer of them because the antidemocratic ones are in the majority."

Ramiro de la Rosa agreed.

"There are only two governors who are really doing something for the party despite opposition from local groups and even the PRI National Executive Committee. In the state of Mexico there's Ignacio Pichardo Pagaza. Unfortunately he's being forced to accept appointees chosen in Mexico City. And in Queretaro Mariano Palacios Alcocer hasn't proclaimed himself a member of the new political class as others have, but he's an honorable man who's proven he wants change. Two other governors are in the transition stage. Due to conditions in their states Antonio Riva Palacio of Morelos and Eladio Ramirez of Oaxaca have made little democratic progress, but they have the will to make changes."

With regard to the three sectors of PRI, the CC leaders look most favorably on the leader of a group that is about to be disbanded. In their view, Silvia Hernandez of the CNOP may not be democratic, but compared to Fidel Velazquez of the CTM [Mexican Workers Confederation] and Maximiliano Cilerio of the CNC [National Peasants Confederation], she is "less authoritarian and dogmatic."

According to Raymundo Lopez, the plan to dismantle the CNOP is yet another instance of a failure to match words with actions.

"Silvia Hernandez and Colosio announce that the CNOP is going to be transformed and democratized, but there was no attempt to consult those who remain active in the so-called popular sector. It's almost certain that the change will turn out to be the prelude to some elaborate new sham."

"Unfortunately," Arturo Santillana added, "it's very likely that the transformation of the CNOP will further shake the credibility and trust of most PRI loyalists."

"In any case," Alejandro Rosas continued, "the CNOP transformation indicates they're putting aside plans to democratize the major grass-roots groups. The real strength of the popular sector lies with these groups, with the government workers and teachers unions to be specific, and there's nothing democratic about them. Also listed on the CNOP letterhead are any number of groups that, more than antidemocratic, are corrupt."

"The popular sector is just like the others," Gonzalez Guevara said. "It's not exempt from corporativism. The FSTSE [Trade Unions Federation of Government Workers] is the dominant force in the CNOP. It's not to be outdone by the other two sectors in matters of corporativism and antidemocratic behavior. And in addition to its corporativist tendencies, it gives the government a completely free reign in selecting its leadership. The orders come from the government, and every cabinet minister has a say. Recent events in the union of IMSS [Mexican Social Security Institute] workers—another major force in CNOP—were a clear example of antidemocratic corporativism."

"This," said de la Rosa, "is the root problem. If President Salinas is really committed to democracy, he must put an end to corporativism. And he must respect the right of workers to join whatever party suits them and to elect their own leaders. Without this right, claims to all rights will remain an empty shell."

El Salvador

Army Uncovers Alleged FMLN Arms Shipments

PA1504040290 Panama City ACAN in Spanish 1830 GMT 14 Apr 90

[Text] San Salvador, 14 Apr (ACAN-EFE)—Salvadoran military spokesmen revealed today that a rebel cell, in which two Honduran women are members, clandestinely introduced into the country, through Honduras, several pistols, thousands of rounds of ammunition, Soviet rifles, medicine, and explosives for the guerrillas.

In the first report, the Ministry of Defense said definitively that "the weapons came from Nicaragua, through Honduras, and are destined for terrorists in El Salvador."

The second military report on this matter said that "the Nicaraguan presidential election results have now made stepped-up gun-running from that country a short term possibility, not only for our country but for other countries in the Central American region.

In a communique, the Salvadoran Defense Ministry said that the arms and medicine were introduced into El Salvador in 19 trips over a year's time from San Pedro Sula (Honduras).

The military source said that the rebel cell, consisting of Salvadorans Tito Olivio Dubon and Feliciano Garcia Sorto and Honduran women Adilia and Aminta Dubon Ramirez, "had the mission" of secretly transporting arms and medicine into the country.

According to the military communique, 155 AK-47 rifles, 45 pistols, 60,000 rounds for various caliber rifles, 126 grenades for RPG-7's, medicine, and materials for making explosives were clandestinely brought into El Salvador between April 1989 and 7 April 1990.

Tito Dubon and Garcia Sorto were arrested on 7 April in Cololaca Municipality, in Honduras' Lempira Department, while trying to introduce the arms shipment into the country inside the secret compartments of a truck.

According to the military information, the Farabundo Marti National Liberation Front (FMLN) cell used two different routes for the trips, departing from the city of San Pedro Sula.

"On Route 1, 12 trips were made between June 1989 and 7 April 1990. Route 2 was used for three trips between April and May 1989 to a place located in Mercedes, Ocotepeque Department, where the FMLN terrorists picked up the weapons and other war materiel," the Defense Ministry reported.

The report does not specify the route used for the remaining four trips, in which the same four people took part.

The two Honduran women, now under detention, gave the Salvadorans false documentation to pass as Hondurans, according to the military investigations.

FMLN Attacks Continue Despite Peace Agreements

PA1404135390 San Salvador EL DIARIO DE HOY in Spanish 6 Apr 90 p 2

[Text] FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front] terrorist groups have continued their treacherous attacks against civilians and police officers in the capital and throughout the countryside, openly ignoring the agreements reached by their leaders with a government delegation in Geneva, Switzerland.

The Armed Forces Telecommunications Instruction Center (CITFA) reported that a man and a woman were critically wounded when the vehicle in which they were travelling near Olocuilta, La Paz Department, was machinegunned by FMLN terrorists on the evening of 4 April.

The wounded are Mauricio Campos and Concepcion Herrera, who were taken to a health center by the Red Cross, the sources added.

The National Police reported that two of its agents and a civilian were fired at by terrorists at 1800 on 4 April, as they inspected a car crash between the highway to Comalapa Airport and 49th South Avenue in the Montserrat neighborhood.

"The policemen were machinegunned down by people in a moving vehicle and sustained wounds which have left them in extremely critical condition," a security corps spokesman said.

The two agents were assisted by people who repudiated the attack.

A pedestrian, later identified as Manuel Alvaro Mendoza, was also struck by the bullet and he is at Rosales Hospital.

A military spokesman also reported that a group of persons who identified themselves as FMLN-FDR members kidnapped a peasant, Jose Manuel Posada, near La Colmena, in El Carmen District, Cuscatlan Department.

Meanwhile, nine-year-old Yohalmo Antonio Ortiz was injured by shrapnel when terrorists threw a bomb at Civil Defense members in Nejapa, north of San Salvador, while harassing the paramilitary group's outpost. The boy is at Bloom Hospital.

In the document signed by the government delegation and the FMLN- FDR leaders, the latter pledged not to engage in terrorists attacks that might damage assets or injure persons, but "urban commandos" or "terrorists squads" that operate in San Salvador have either not been informed of this resolution or they act independently, the military sources said.

Referring to the 2 April car bomb explosion perpetrated in Santa Tecla, the FMLN-FDR claimed responsibility for the attack in a communique, and said that it was "an action aimed directly at the police" and that "they regret

the death of a civilian," but they did not mention compensation for the relatives.

Also, the FMLN-FDR claimed responsibility for the attack on General Rafael Humberto Larios's son-in-law. He was accused of being a military pilot—when in fact he is a civilian pilot and was working in a small automobile spare parts distribution company at the time of the attack.

The young man, Otto Milla, is still in a coma and his pancreas was removed in the latest surgical operation.

Col. Vargas Interviewed on Military Situation

PA1304232190 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 9 Apr 90

[Interview with 3d Infantry Brigade Colonel Commander Mauricio Vargas by Rene Hurtado; place not given—live]

[Text] [Hurtado] YSKL listeners, we are now going to talk to Col. Mauricio Vargas of the San Miguel 3d Infantry Brigade. Colonel, what is the situation today in the eastern zone?

[Vargas] First, let me say hello to all the YSKL listeners. Now, I want to report that we have a stable military situation in the eastern part of the country. Only three clashes have taken place, and these have been in Jucuapa's northwestearn area, near Cerro El Tigre in the El Marquesado coffee plant area and in Santiago de Amarilla. Two terrorists were killed, and we confiscated two weapons. The other clash took place in northern San Miguel sector, specifically in Ciudad Barrios. The Leon Batallion of the 3d Infantry Brigade command fought here. These are the most significant clashes up to now. In order for people, vehicles, and goods to travel freely, we have increased our security on roads, especially in the Chirilagua sector where roads take us to the famous El Cuco beaches, here in the eastern area.

Some security measures have been adopted at the El Cuco beach area itself, in the Chirilagua, Intipuca area so that the vacationers may, with relative safety and peace of mind, enjoy their well-earned Easter 1990 vacation.

[Hurtado] Thank you, Colonel. During yesterday's homily, Monsignor Arturo Rivera y Damas asked the rebels and the Army for an Easter truce. What do you think about that?

[Vargas] I truly believe that truces are temporary, and the people do not need temporary actions. Peace is something permanent; therefore, all the actions carried out must be based on one thing: if peace is permanent and the people want peace, we cannot carry out unilateral or temporary actions. It must be permanent so that the people can once again enjoy an active economic life and enjoy permanent peace.

As a show of goodwill and as real proof of wanting peace, the FMLN [Farabundo Marti National Liberation Front] should put an end to its hostile actions against the civilian population. If they do not do this, it would mean that they want to continue the military conflict. If the FMLN were to put an end to its hostilities, the Armed Forces would be able to stop its actions. The Armed Forces, the government, and the democratic system are being attacked. They are not the aggressor. The government and the democratic system defend the constitutional concept of security and public order and the tranquility and stability of its institutions that are being threatened by terrorist military actions and other types of actions carried out by the FMLN throughout the country. This is why the Armed Forces must act. Should the FMLN stop attacking the system and the economy, then the Armed Forces would have nothing to do and there would be no need to be talking about a truce and other temporary measures. We would then be talking about formal matters that would lead to a firm and lasting peace.

[Hurtado] In conclusion, Colonel, does your participation in the dialogue commission guarantee that the talks with the rebels will produce favorable results?

[Vargas] I definitely do not think that the participation of one person can guarantee results in a process that is already under way. If specific results have not been achieved, it is precisely because of the FMLN's stubborn position. They have conditioned the end on certain actions to some institutional matters. The Armed Forces have been present at all the dialogues, but we have not sat down at the negotiating table. The Armed Forces was always present supporting the country's political power and the country's political leader, President Alfredo Cristiani. The Armed Forces has advised the executive branch and the commission appointed by the executive branch to reach specific agreements for peace in our country. The only difference today is that the Armed Forces will be formally represented at the talks. However, it has always been present at the talks. As I said, the Armed Forces is part of the government and it has helped the government. We recognize the efforts being made by the government and reiterate our full support for the peacemaking efforts of President Cristiani.

Interview With FMLN Commander, Part III

PA1504134490 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Apr 90

[Third of four-part interview with Eduardo Sancho Colombari, aka Commander Ferman Cienfuegos, member of the Farabundo Marti National Liberation Front, FMLN, General Command on 4 April; place not given—recorded]

[Text] [Reporter] What does the FMLN think about the situation in Cuba, which is another of our great worries? You have mentioned that the single party thesis is not valid, yet that model exists in Cuba. What does the FMLN think about the events in Cuba?

[Sancho] We think that the situation in Cuba is unique. The Berlin Wall has crumbled yet nothing has crumbled in Cuba. This means that the Cuban process, which is part of the Third World process.... [changes thought] We could say the same thing about the PRC and Vietnam, because they are poor and underdeveloped countries, and they are part of the Third World.

We could say the following: Cuba has been isolated due to a lack of propaganda, and there is no information—in terms of propaganda—about the democratization process that is taking place in Cuba, which has its own ways of doing things. Cuba reiterates that the single-party system is a way to keep the people united, and to keep the people united in the struggle against U.S. aggression. Therefore, the model of the Cuban revolution's defense has other characteristics, and time will show that they are correct. We certainly hope that the Cuban leaders will find better ways to consolidate that process.

We also believe that economic changes are taking place in Cuba beacuse Cuba has truly broken its dependence on the Comecon, meaning the Council for Mutual Economic Assistance in the European Socialist market. Consequently, Cuba will be the role model of independent and self-supplying socialism, and Cuba will need time to achieve its economic independence and create its own economy. This requires some time to prevent an economic collapse. This will also create the material conditions so that the (?world) can learn more about Cuban democracy. We certainly hope that the process finds its own formulas and, since there are no prescriptions for this, we do not try to provide any—and we do not want others to give us prescriptions.

[Reporter] Everyone knows that the FMLN is made up of five organizations and that you are the main leader of the National Resistance [RN]. We would like to discuss that in this question: Robert Baker, a U.S. analyst who recently came to the country, wrote an article for [name indistinct] magazine in 1982. He said that RN was a social democratic organization. Nevertheless, someone told me in Costa Rica that the RN was truly the communists' party in El Salvador because of its creative application of Marxism - Leninism. What is the RN?

[Sancho] We are part of the FMLN, and we can also say that we represent a political tendency. We have created a political party and are immersed in a process. It is not an ideological definition process because we are well aware that the national project defines the ideology. The democratic project is the one that defines the whole nation's project. We conform to the nation's project and, in addition to being a party and an armed branch, we undoubtedly have to develop our participation in the people's movement as a party; and we certainly have a responsibility to the nation's various sectors.

Coincidentally, we are part of a revolutionary movement and this has a tendency to generate a movement. This results in several forms of organization among our people, and we think that this is primarily the result of our being part of the left—but we are also building the future.... [corrects himself] one of the future parties in El Salvador's democracy. Creating ideological definitions by using European terms at this point has its limitations.

We might add that we are certainly sure that we struggle, and we have always struggled, for the homeland; and if someone wants to describe us as patriotic, well, the term is welcome. If someone asks: For whom do you struggle? We will answer: We have always struggled for the Salvadoran masses, meaning that we represent the interests of the poorest people in El Salvador, and we will continue to defend them.

We also believe that, since we are a party that struggles for the nation's project, we must also seek alliances and a consensus with other groups in the nation, meaning the businessmen, democratic groups of the instutitional Armed Forces, and other groups that do not represent the workers and peasants. We repeat: We struggle for the workers and peasants, who are the majority in El Salvador, but we also struggle for the workers in other sectors, meaning the professionals, technicians, intellectuals, middle class, small businessmen, medium-sized businessmen, and large businessmen. That is the great project in our nation. We could rightfully say that a lot has been said about the RN. The RN has been described.... [changes thought] I might add that, for the left, the term social democrat is like mentioning Satan, the devil. In other words, at a given moment of the ideological struggle...

[Reporter, interrupting] It was like an insult, was it not?

[Sancho] Yes, at one time it was an insult to say that someone was a social democrat. In modern times, the term social democrat means moderate—right?—and that is a political category that helps one understand that the FMLN revolutionaries are realists and politicians, but we maintain our revolutionary position. In other words, we are not fanatics or radicals, and if someone says that we are social democrats we accept it—provided it means that we are not sectarians, fanatics, or religious [words indistinct].

[Reporter] Commander, do the RN leaders agree that the FMLN should eventually join the Socialist International [SI] as has been proposed concerning the Sandinist National Liberation Front [FSLN] in Nicaragua?

[Sancho] We think so, because SI has represented, for the past 30-40 years, a European international political bloc that has supported the struggle....[corrects himself] that has shown interest in the Third World. In other words, we believe that every international political bloc that truly wants to establish relations and help—while still defending European interests—is viable and positive. The FMLN must necessarily join the SI.

[Reporter] In the 1970's [words indistinct] struggle in our country and the war resulted from a decision adopted by the People's Revolutionary Army [ERP]. Virtually no one talks about this within the FMLN now,

yet the right-wing sectors always remember the resulting situations within the left-wing sectors. What does the RN think abut the ERP in 1990?

[Sancho] We have stated and we have put it in writing—it is good to have it in writing—that the left became divided and the ERP became divided because we were not firm enough, politically and ideologically speaking. We believe that the ERP leadership acted childishly [words indistinct], but we can now say that we have achieved maturity in every sector. The options we have chosen within the FMLN have allowed us to clearly see the outcome of the decisions we adopted in the past.

This has obviously been [word indistinct] and misconstrued by the enemy in its propaganda and psychological war, because it loves to say that revolutionaries always end up killing each other. [Words indistinct] the ideological struggle [words indistinct] indicates that we [words indistinct] and unity has prevailed within the FMLN. We consider the division a process that is part of El Salvador's history and we should not cry over spilt milk. No one should deplore.... [changes thought] We cannot speculate on what might have happened. It was the result of our immaturity.

[Reporter] Commander, everyone knows the names of the FMLN leaders—particularly the five members of the General Command—but this is something new. You were previously known as Ferman Cienfuegos and not everyone knew that you were Eduardo Sancho Colombari. There is always a clandestine element involved. Why is there always a tendency to remain anonymous?

[Sancho] I think that after 10 or 20 years in hiding we [words indistinct] political conduct that does not correspond to modern times and our political needs. Therefore, the general command needs [words indistinct] specific conditions, meaning the need for the General Command members to go public. We believe that the General Command members should go public and state their views so that the people can learn more about them, their human side, and their personalities. It is important for the people and the world to know about the leaders' personalities as they are. This has been—let us call it a defect or limitation. Secrecy is a deviation and a person can maintain.... [corrects himself] combine secrecy with our political role. We now we have to overcome that deviation, meaning secrecy and anonymity.

[Reporter] Yes.

[Sancho] I believe we are trying to overcome this.

Interview With FMLN Commander, Part IV

PA1504144790 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Apr 90

[Fourth of four-part interview with Eduardo Sancho Colombari, aka Commander Ferman Cienfuegos, member of the Farabundo Marti National Liberation Front, FMLN, General Command, on 4 April; place not given—recorded]

[Text] [Reporter] [Words indistinct] Joaquin Villalobos, Jorge Shafik Handal, are less known. Someone asked if your matronymic comes from Spain. It does not sound quite Salvadoran. Where does your matronymic come from, commander?

[Sanchez] My last name, like that of the family of most Salvadorans, is scattered around the world. In other words, we look very much like Palestinians, the wandering Jews and Salvadorans. My last name comes from Costa Rica.

[Reporter] From Costa Rica?

[Sanchez] Yes. My family is not exactly from El Salvador. My family is of Spanish origin and became established in Costa Rica [words indistinct] became established in El Salvador and another part of my family lives in the United States [words indistinct] my grandfather lives in the United States.

[Reporter] Do you come from a bourgeois family?

[Sanchez] No, mine is a middle class family. It includes professionals, technicians, intellectuals. We have had a bit of everything, such as workers, but it is fundamentally a middle class family. The other branch of the family is Spanish-Italian. It is Colombari. Colombari...

[Reporter, interrupting] Is it Colombari?

[Sanchez] Colombari is of Italian origin. My grandfather was Italian. His parents emigrated to Costa Rica. My great-grandfather's name was Pietro Colombari. He was one of the 1,000 men who fought in the war for unity under Garibaldi. Then there is a [words indistinct].

[Reporter] There is already a tradition of struggle in your family?

[Sanchez] [Words indistinct] gave me this privilege, or this sensitivity. It is a family tradition.

[Reporter] Commander, [passage indistinct].

[Sanchez] [Words indistinct] I wrote novels, short stories, and articles.

[Reporter] [Words indistinct].

[Sanchez] I produced or wrote more for politics; in other words, I became more of an article writer. [passage indistinct].

[Reporter] Where did you meet Roque Dalton? Was it in a school dormitory?

[Sanchez] Yes, Roque was in the school dormitory, but he was older than the rest of us. [Passage indistinct].

I was not born poor. I never had, I never felt [words indistinct]. The Jesuits also raised our consciousness

because they have a very important [words indistinct]. A person also exerted great influence over me. She was a very devout and praying woman. She was very close to (?Fello Gonzalez). She was my spiritual guide. In other words, she was a very devout lady, but she influenced me into reading pluralistic material. [passage indistinct]

[Reporter] Commander, there are some questions we always ask ourselves. Can you tell us how the work team that is called the FMLN General Command works? Comrade Jorge Shafik Handal [words indistinct] is over 60; on the average, the rest is about 39, 42, 43 years old. What kind of work team is it like, with a communist from the Communist Party [word indistinct] Villalobos? That is, with so many different personalities, how does that work team operate?

[Sanchez] [Words indistinct] the response the General Command gives. The various angles, the multifaceted personalities, the multifaceted thinking have made it possible to create, with the full political maturity that is accumulated, a very versatile general command. Sometimes it is very agile. Sometimes it is very slow, but fundamentally it adopts decisions through a discussion dynamics that [passage indistinct].

I feel that a nucleus has been formed that devises new ways to rule a modern, dynamic society. It breaks away from the concept that a general command needs a table at which to meet. It does not need a table to meet. It has met under trees, under stones, on the banks of a river...

[Reporter, interrupting] And also at tables...

[Sanchez, interrupting] Yes, we have met at round and square tables without chairs. It is, so to speak, the spirit of the General Command. [passage indistinct].

Nicaragua

D'Escoto Says Country on Verge of 'Civil War'

PA1504015490 Madrid EFE in Spanish 0025 GMT 15 Apr 90

[Text] Mexico City, 14 Apr (EFE)—Nicaraguan Foreign Minister Miguel D'Escoto said today at the airport in Mexico City that his country is facing a critical period and that it is on the verge of civil war because of the invasion of contra guerrillas supported by the Honduran Government.

During a stopover on his way to Paris, D'Escoto held an impromptu news conference and mentioned the possibility of a civil war in his country as a result of the contra monster, which was created by the United States in defiance of all the international legal norms.

He also warned that, since both the contras and the United States have refused to heed the Central American presidents' appeal for peace and demobilization, Nicaraguans must prepare—without being alarmists—for civil war.

D'Escoto asserted that, although they are on the verge of civil war, on 25 April Violeta Chamorro must assume the presidency of Nicaragua as ordered by the people in the elections.

The Nicaraguan foreign minister also said that his country's economy is deteriorated and destroyed.

The Nicaraguan minister added that repairing Nicaragua's economy will be a complex task because it requires severe economic adjustments, and we do not know if this will create the conditions for the people to rebel and express their displeasure.

He also said: We must certainly straighten out the country's economy to overcome underdevelopment.

The Nicaraguan foreign minister left for Paris today to participate in the international committee that will welcome South African leader Nelson Mandela.

Domestic Service To Set Up New Radio Station

PA1304230490 Managua LA PRENSA in Spanish 7 Apr 90 pp 1, 8

[Report by Federico Suarez M.]

[Text] A group of employees of La Voz de Nicaragua [Managua Domestic Service] are preparing to set up a new station named Radio "Ya," an announcement on which was made a few days ago.

The station will broadcast on 600 khz with a transmission power of 10 kilowatts.

The station is being financed by a group of stockholders whose names could not be obtained because one of the station's main promoters, Carlos Guadamuz, the current director of La Voz de Nicaragua, refused to meet with LA PRENSA.

Through unofficial sources, we learned that the station's equipment was directly donated by the USSR to the Sandinist National Liberation Front [FSLN].

La Voz de Nicaragua, which is the government's official mouthpiece, has been announcing that programs such as Aniceto Prieto will be transferred to Radio "Ya."

The station will occupy the facilities that housed the FSLN headquarters and another area that is under construction. The amount of money invested in the project is not known.

Edgard Tijerino, director of the "Double Play" sports program, will continue to host that program on Radio "Ya" along with Carlos Reyes Sarmiento and Enrique Armas.

Will this station be the FSLN's official mouthpiece? Nobody knows. However, we must point out that La Voz de Nicaragua, one of the country's strongest stations, is not heard as usual in certain areas of the country. The listeners themselves have confirmed this.

A listener of "620 Contact," a program dedicated to neighborhood problems, said that he is willing to take up a collection to help with the equipment problem. However, it seems that the investors do not need the help, because Tijerino said on his program that he no longer needs to win the lottery now since the station will be inaugurated soon.

Radio "Ya" tests will be conducted soon. Guadamuz, who led an ill-intentioned campaign against UNO [National Opposition Union] and President-Elect Violeta Chamorro, refused to answer our questions on the the physical condition of La Voz de Nicaragua and the plans to transfer this station, which is the state's official mouthpiece, to the new government.

Contra Commanders Support Toncontin Agreement

PA1404185890 Managua LA PRENSA in Spanish 10 Apr 90 pp 1,12

[Text of letter from Nicaraguan Resistance, RN, Commanders Franklin and Ruben to President-elect Violeta Barrios de Chamorro—issued in Tegucigalpa on 8 April]

[Text] Tegucigalpa, 8 April 1990
Mrs. Violeta Barrios de Chamorro, president-elect of Nicaragua
Managua, Nicaragua

Your Excellency Dona Violeta:
On behalf of the RN Northern Front's General Staff we reiterate our support and pledge to create a de jure state in Nicaragua, with full respect for human rights and based on free, direct, and periodic elections.

Within this pledge, we support the electoral effort exerted by the Nicaraguan people, who supported the National Opposition Union (UNO) and the presidential ticket led by yourself and Dr. Virgilio Godoy.

We also support the turning over of power without obstacles or delays, and we fully intend to carry out the implementation process in the form and under the terms established by the Toncontin agreement.

Therefore, we reassert to you our decision to continue the unilateral ceasefire we have been implementing, until an effective and verifiable ceasefire is achieved, thus allowing the gathering of our armed forces in the security zones that are currently being delimited with the technical assistance of the UN Observer Group in Central America (ONUCA).

We trust that you, as president of Nicaragua, are enough to guarantee the personal safety of each of the fighters who have stated their willingness to demobilize and repatriate themselves, to join in the new institutional life that will be developed in our country, and to become part of the democratizing process that is and has been the essential goal in our struggle.

At this historical moment, we assure you that the RN fighters are not, and do not wish to be, an obstacle to the beginning of the democratizing process that must necessarily include a reorganization of the so-called Sandinist Armed Forces and their drastic reduction to the level of a national police; quite to the contrary, we are and we feel part of the electoral victory, which has resulted in your election as president of Nicaragua.

With faith and trust in God, we wish you success in the mission that has been entrusted to you, and you can count on us for its execution.

We hope that we will be able to visit you soon at your home and we state our best expressions of affection and respect.

Commander Franklin, Chief of Staff, RN; Commander Ruben, chief negotiator of the RN.

Defense Ministry Reports Three Contras Killed

PA1504034190 Panama City ACAN in Spanish 1550 GMT 14 Apr 90

[Text] Managua, 14 Apr (ACAN-EFE)—The Nicaraguan Defense Ministry reported today that three "contras" were killed and three soldiers were wounded in the country in clashes that have taken place in various areas.

These casualties occurred when a group of armed resistance fighters clashed with Army troops in Las Gavetas, northern Esteli Department, on 11 April.

The source added that, on that same day, a Sandinist soldier was wounded in another clash in Palo Verde, Chontales Department.

On 12 April, another anti-Sandinist armed group stole 75 head of cattle from a ranch in El Coral, near La Gateada, also in Chontales.

The military source added that several rebel groups also kidnapped two sisters, Alba and Johana Moreno, in Las Camaras, northeast of La Trinidad, and stopped civilian transportation vehicles to "intimidate" passengers at El Oregano and Piedras Largas, Esteli Department.

The clashes between "contra" fighters and Sandinist troops continue to occur in the country's northern and central areas, seven days after the rebels reaffirmed their desire to maintain the unilateral cease-fire they decreed in Tegucigalpa, Honduras.

The Sandinist Government has also decreed a unilateral cease-fire that has been in effect since 27 February.

The warring parties must agree on a cease-fire with the technical assistance of the UN Observer Group in Central America (ONUCA) by 18 April, at the latest.

Panama

Photographer Reports Incident With U.S. Soldiers

PA1504184690 Panama City LA PRENSA in Spanish 15 Apr 90 p 24-A

[Report by Vilma Figueroa]

[Text] U.S. Army soldiers yesterday in Arraijan detained LA PRENSA photographer Raul Pinzon, seized a roll of film from him, and threatened to take away his camera as he was fulfilling his journalistic duties.

The incident took place at about 1145 as Pinzon was taking pictures of the barracks, where there are no signs banning picture-taking. As Pinzon was doing his work, he was interrupted by soldiers who told him that he "had no right to take pictures, because he needed a permit from the Government and Justice Ministry."

Pinzon reports that he was held for 10 minutes while a member of the Public Force, following the orders of his U.S. counterparts, asked him to surrender his film, "otherwise, they could seize your camera."

Once the U.S. soldiers had seized the film, they told Pinzon that to get it back he must obtain a document from the Government Ministry.

The photographer said that at the Public Force barracks in Arraijan, where there should be several Panamanian policemen, "there were only two, while U.S. soldiers were a majority; this leads me to conclude that it is a U.S. station, although there is a Panamanian flag in front of the barracks."

Finally, the U.S. soldier who ordered Pinzon's retention, in a mocking and arrogant manner, ridiculed the LA PRENSA photographer before his fellow soldiers.

Linares Comments on Canal, Neutrality Treaties

PA1304235890 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Apr 90 p B-1

[Text] Speaking recently to an audience of hundreds of women leaders who are board members of civic clubs, business entrepreneurs, and professionals who were guests of the International Soroptimist Club of Panama [Club Soroptimista Internacional de Panama] at the conference room of the Capac [Panamanian Chamber of Construction], Foreign Minister Julio Linares presided over an excellent discussion on the interesting topic "The 1977 Neutrality Treaty—Its Advantages and Disadvantages."

The foreign minister said there are two treaties, the Panama Canal Treaty and the Neutrality Treaty. He said that according to the Panama Canal Treaty, both the United States and Panama agreed to protect and defend the Panama Canal, with the United States having the primary responsibility. He said that the Panama Canal Treaty will no longer be in effect at noon, Panama time, on 31 December 1999, according to the treaty on the protection and defense of the Panama Canal. He added that, according to the Neutrality Treaty, canal neutrality not only applies to the current Panama Canal, but to any other international waterway that is totally or partially built in Panamanian territory (Article 1). According to the Neutrality Treaty (Article 4), Panama and the United States agreed to maintain the neutrality established in this treaty so that the canal permanently remains neutral, even when the Panama Canal Treaty is no longer in effect. Linares said that the mentioning of Panama is not necessary because the Republic of Panama cannot be considered a guarantor for the canal's neutrality. Since Panama has territorial sovereignty, it is obvious that it will always have the right, the obligation, or the duty to defend the canal's security with the means available to it, even with the guarantor country—in this case the United States of America—without having to establish it in any treaty. Linares said that the mention of Panama in Article 4 only served to justify the unnecessary arms buildup of the Panama Defense Forces. He said that Panama, because of its small size and lack of resources, will never have the military capability to defend the canal, in case any country with the necessary potential to do it decides to make the canal a target of its missiles and rockets.

Linares said: "The United States of America has the obligation under the Neutrality Treaty, which has been signed in perpetuity, to maintain the neutrality established in such treaty, even after the Panama Canal Treaties expire; that is, beyond the year 2000. He said that Agreement Two [Entendimiento Dos] states that the United States of America may, according to its constitutional procedures, take unilateral actions to defend the Panama Canal against any threat. Condition One, or the De Concini Reservation, adds that if the canal were closed or if its operation were interfered with, the United States of America will independently have the right to take the measures it considers necessary, according to its constitutional procedures, including the use of military force in the Republic of Panama, to reopen the canal or to resume canal operations, whatever the case may be.

Linares added that Condition One, or the De Concini Reservation, does not grant the United States the right to intervene in the internal affairs of the Republic of Panama when the purpose of the intervention is to interfere in matters that are exclusively within the purview of the Panamanian Government. However, when the purpose of the intervention is to reopen the canal or to resume operations, the intervention will then be permitted, even if it consists of the use of military force in our territory and even if the cause of the intervention originates in Panama, either by its leaders or its nationals.

The lecture was welcomed by the participants, who thanked the minister for the clear way in which he explained the contents of the Neutrality Treaty, which, according to Linares, should have been submitted to a plebiscite by the Panamanian Government at the time it was proposed.

District Attorney on Former Officers' Release

PA1404134990 Panama City LA PRENSA in Spanish 10 Apr 90 p 1

[Report by Nubia Aparicio]

[Text] Second District Attorney Cecilia Lopez de Martin and Carlos Cuestas, secretary general of the Supreme Court of Justice, have assured LA PRENSA that they acted in strict abidance of the law when they released former military officers Virgilio Mirones and Alberto Purcell.

The second district attorney said she has always abided by the juridical principle that the law is the law, above all things, and that this was the reason why she was dismissed from her post during the previous regime.

"We have great respect for the law and legal institutions because we are lawyers, we went to a university, and we believe that it should be respected above all else; the day that someone asks us to act to the contrary we will simply leave our posts," she added.

Referring to the authorization for Virgilio Mirones' release, the lawyer said that an arrest warrant was never issued against the former military officer. "We learned on Thursday 6 April that he would be released on bail for another case that is being handled in another court, and we asked Captain Alberto Soto (Modelo Jail director) to hold him because we wanted to question him."

"We wanted to question him because we wanted his deposition on the case of checks for several million [currency not specified] that were signed by several high-ranking members of the now-defunct military organization," she added.

According to the district attorney, the release became effective once the former military officer was given his release papers. "We annulled the provision that he should remain at our disposal once we had questioned him, because there was no arrest warrant against him."

Referring to the large number of lawsuits filed at the various courts, Martin said that if a person feels affected or believes that he has been injured in one way or another, he has every right to resort to the authorities.

"We are worried because there is a tendency not to analyze things objectively; that worries us very much because if we do not try to balance the situation, we will fall back to the situation we had in the past," she emphasized.

Likewise, Carlos Cuestas, secretary general of the Supreme Court of Justice, referred to former Colonel Alberto Purcell's release and said that the court "analyzed the evidence which, according to the public prosecutor's office, justified his arrest, and came to the conclusion that the evidence was not enough because it involved secondhand accounts."

The official explained that this means "to say what you heard another person say; it does not refer to witnesses who can actually testify that former Col. Purcell really perpetrated the crimes he was charged with."

This is a secondhand account and the legal code assigns no importance to this type of evidence, particularly when it involves a person's freedom, he said.

Purcell had been accused by citizen Sidney Sitton U., who said he was involved in "crimes against the public administration, against the country's patrimony, and against freedom," based on accusations made by former military officer Roberto Diaz Herrera.

It is not a matter of accusing someone just for the sake of accusing him, Cuestas said.

Archbishop Comments on Reconciliation Commission

PA1304174490 Panama City LA PRENSA in Spanish 9 Apr 90 p 1

[Report by Antonia Edith Gutierrez]

[Text] Panama's Archbishop Monsignor Marcos Gregoro Mcgrath has announced that 12 people or more will compose the National Reconciliation Commission, which will include church members, attorneys, politicians, teachers, professionals, unionists, and youths.

In a letter to President Guillermo Endara Galimany, the Panamanian archbishop, who on Endara's recommendation is presiding over the National Reconciliation Commission, states that strong interest in the commission confirms the importance of bringing peace to the nation, soothing passions, and beginning a period of more reasoning and less rancor. Msgr. McGrath points out that the commission could fulfill two tasks: First, inform the public and promote justice and reconciliation both from the judicial and moral points of view; and second, once there is a better understanding of judicial proceedings, suggest the procedures that could be followed.

As long as some trials are pending because charges have not been either filed or dropped, more accusations and confusion will plague the nation, the church leader said.

He also points out that the president of the Republic is proposing an integral national reconciliation to cover everyone, the entire community. The true intent of this national reconciliation process, he says, is to promote a harmonious and respectful relationship among people and groups involved in conflicts without eliminating their legitimate differences and to bring about coexistence in a society where its citizens have the same duties and rights.

McGrath points out that there are other serious problems facing the nation: Taking care of the homeless, unemployed, and hungry and ensuring a revival of the national economy to ensure a dignified life for all.

This is why effective national reconciliation must include national reconstruction. This can be achieved, McGrath says, by reducing hatred and rancor and gradually introducing spiritual and cultural guidelines and ways to enrich social coexistence in the country.

Comments on Legal Proceedings

PA1404184690 Panama City LA PRENSA in Spanish 13 Apr 90 p 1

[Report by Nubia Aparicio S.]

[Text] Panamanian Archbishop Msgr. Marcos G. McGrath stated to LA PRENSA that the process to attain justice is slow and people are desperate because of this delay.

However, the monsignor stressed that the delay is not to be blamed on the attorney general, legislators, or any other government official, as legal proceedings are traditionally slow in Panama, much more so now that there are so many cases to be resolved.

According to the Panamanian Catholic Church's highest official, the people feel dejected because there are many problems that require solutions, the economy is not picking up as expected, promised aid has not arrived, basic well-being has not been attained, and there is a climate of doubt regarding justice and reconciliation.

Nevertheless, the monsignor sent a message to the citizens during these holy days and called for patience, reflection, and unity among Panamanians, so that the country can continue forward.

"We insisted that Panamanians have faith during the worse moments of the dictatorship; therefore, we must make an effort to reconstruct the country now. This, of course, requires reconciliation and corrections," said Msgr. McGrath.

He added that people are discouraged because they believed that the past regime's errors and abuses would be corrected in two or three months.

McGrath noted that legal proceedings have been delayed, but that these proceedings have always been slow "and things cannot change from one day to another." People will be more at ease once they see results based on court decisions, he said.

According to the clergyman, the announced National Reconciliation Commission will be formally installed next week, when a first meeting will be held. The meeting, he added, "will allow the 15 members of the commission to get to know each other and exchange impressions" on work to be done.

Answering a question on what treatment should be given to those who have committed common crimes, Msgr. McGrath, who is to preside over the National Reconciliation Commission, stated that "all those who have stolen, tortured, or even murdered have a right to reconciliation, but this does not mean they will not pay for their crimes."

McGrath said that once Panamanians attain reconciliation and overcome present political differences, we will be able to move forward.

He added that there is a lot to do in the country, that it is difficult to start moving after having suffered an invasion and the looting, and that to do so is equivalent "to raising a dead person from the debris."

Mayor Cochez Comments on Country's Situation

PA1404161290 Madrid EFE in Spanish 2228 GMT 10 Apr 90

[Text] Madrid, 10 Apr (EFE)—Panama City Mayor Guillermo Cochez, whose jurisdiction covers 45 percent of the country's population, today said that Latin American nations that have criticized the isthmian government, "accept and support it" in private.

Cochez, who is on a 48-hour visit of Madrid, told EFE that Latin America is "unfortunately" publicly voicing opposition against the U.S. intervention in his country, but privately expressing "full" support for the new Panamanian authorities.

The mayor of Panama's capital, which is home to more than 1 million of its 2.3 million inhabitants, criticized the lack of U.S. economic support for his country's reconstruction.

He pointed out that Washington is "morally" obliged to the Panamanian people for having supported General Manuel Antonio Noriega, who was toppled by the U.S. intervention in December.

According to Cochez, the U.S. economic role in Panama's democratization is "definitely" not in keeping with its military and political role in that process.

However, he attributed this discrepancy to the peculiarities of the U.S. political system, the relationship between the Executive and Legislative Branches, and Washington's "priorities."

"Perhaps its priority was not Panama's reconstruction, but Noriega's downfall," the mayor, a Christian Democrat who is exclusively devoting his time to mayoral duties, though he was elected deputy in the May 1989 elections, pointed out.

At any rate, I believe that in our country the United States "could have taken another course of action to avoid causing so much damage to the economy."

As for the consequences of the military intervention, Cochez assured that "there are no longer any vestiges" of the anarchy that reigned in Panama during those days.

Cochez attributed the disorder that followed the arrival of U.S. troops on 20 December to an order issued by

Noriega to the Dignity Battalions and civil defense committees to destroy everything in sight and sow chaos if they should lose power.

"The main problem since that day has been personal safety," but the mayor believes that this aspect is under the absolute control of the new Public Force that replaced the Panama Defense Forces [FDP] once headed by Noriega.

Cochez believes that among the main advantages of the new armed corps is that it no longer controls immigration, canal issues, and the secret and customs police, which had been assigned to the FDP and used to generate great corruption.

As for the prospects for recovery in his country, Cochez said that many of the large banks installed in Panama did not withdraw and a few new ones have even been established thanks to the atmosphere of "trust" created by the government of President Guillermo Endara.

However, he admitted that aid from the United States, which granted $420 million, is just being processed and beginning to arrive in the country.

"It is a slow process, but we will gain speed," Cochez predicted. He also expressed optimism in the role that the financial centers of Japan and Western could play.

As for full Panamanian sovereignty over the interoceanic canal, Cochez pointed out that Panamanians are "sure" that the treaties with the United States will be complied with and "on 31 December 1999 the canal will be turned over to Panama."

He added: I do not believe that Washington's intervention has set a bad precedent for future Panamanian sovereignty over the canal.

He pointed out that "prior to 20 December, Panama was being intervened upon by drug traffickers and corrupt military men; we must ask ourselves what should come first, popular sovereignty or national sovereignty" when the latter was being used by Noriega to hurt the other.

Cochez arrived in Madrid on 9 April and will return to Panama on 10 April after meeting with Spanish municipal and government authorities.

The Panamanian mayor made a stopover in the Spanish capital en route from Israel by invitation of the Union of Iberoamerican Capital Cities (UCCI) in which Madrid holds a vice presidency.

During his 2-day visit to the Spanish capital, Cochez met with Fernando Valenzuela, president of the Spanish International Cooperation Agency.

Cochez also visited the Madrid headquarters of the EFE News Agency that is associated with Panamanian newspapers and with countries of the area via the Central American News Agency (ACAN) headquartered in Panama City.

National Bank Manager on Increase in Deposits

PA1404163790 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Apr 90 pp A-1, A-2

[Report by James Aparicio]

[Text] Luis H. Moreno, manager of the Panama National Bank (BNP), has told this newspaper that the Panamanian banking system is returning to normal with a $330 million increase in deposits during the first three months of the year.

"There has been a $330 million increase in local deposits," Moreno explained, adding that $170 million of those deposits stem from "withheld funds that the United States has returned."

Moreno made these remarks on 9 April at the BNP headquarters on Via Espana during the opening of an exhibit on the Aedes Aegypti mosquito, which transmits yellow fever and hemorrhagic dengue.

"We are slowly stabilizing the system and there is now a sign of greater confidence among depositors and customers," Moreno explained. He announced that the Banking Commission and the Banking Association are looking into lifting restrictions on approximately 500,000 savings accounts.

It has been officially reported that the Banking Commission headed by Guillermo Ford, planning and economic policy minister, will meet today with representatives of the private and state banks to evaluate the possible lifting of restrictions on savings accounts.

Moreno announced that next week he will release to the local and foreign press a report on the BNP's actual situation, its past management, and the way in which the purchase and sale of the El Panama Hotel was handled.

The BNP manager denied that the charges against former BNP manager Rafael Arosemena are political, as his lawyer, Tomas Cruz, has stated.

"This is not a political issue; the numbers, figures, and documents exist," Moreno said, adding that the Attorney General's Office has received eight audits that deal with the charges against Arosemena and other former bank officials.

Arosemena has taken asylum in the Mexican Embassy, but Panama has refused to grant him a safe-conduct because it considers him to be a common criminal.

Further Editorial on Rio Group Election Demand

PA1304182090 Panama City El PANAMA AMERICA Spanish 12 Apr 90 p 4A

[Editorial: "The Rio Group"]

[Text] In previous editorials, we viewed the reasons that have moved the Rio Group to demand a referendum to "legalize" the current government. Panamanians must be aware of the arguments and motivations of this group,

as well as those of the U.S. and Spanish Governments. A problem will never be solved without analyzing and understanding the adversary's motivations.

The argument that Panamanians have used to resist the demands of the Rio Group is much clearer than their argument. No one in Panama, absolutely no one, doubts that candidate Guillermo Endara Galimany won the May 1989 elections. Panamanians believe that repeating a referendum to confirm what the electorate has already decided would be absurd. Candidate Guillermo Endara Galimany, today the constitutional president of the Republic of Panama, won the elections by a wide margin. Panamanians believe that a referendum would be useless and costly, would require great efforts, and would distract Panama from the urgent matters that should be given priority. In the domestic field, it would have no benefits. The results of that exercise would be negative.

Nevertheless, some in the international community are demanding a referendum, and not satisfying the demands of some Latin American sectors certainly harms us. However, the damage is small compared to the internal damage that would result from having the country go through a referendum under the current circumstances. We fail to understand what benefit Panama would derive from holding a referendum to "legitimize" what has already been "legitimized."

Our government has been very moderate in presenting our argument to the Rio Group and other international organizations. We must remember that no one questions the legality of Cory Aquino's government, whose election was stolen from her. However, without the backing of the vote tally sheets, which were destroyed by Marcos, the Philippine Supreme Court of Justice swore her in as president of that nation based on her obvious electoral victory. Although it is true that in the case of the Philippines foreign troops were not involved, it is also true that the Philippines does not have a canal that the United States must protect. Anyway, we insist that no one questions the legitimacy of Cory Aquino's government.

The Panamanian Government must begin a campaign to explain our position. There is no doubt that we must harmonize our relations with the Rio Group; however, this must be accomplished through persuasion and arguments. The enemy must be persuaded, not attacked.

Government, Justice Minister Criticized

PA1304212290 Panama City EL SIGLO in Spanish 11 Apr 90 p 6

[Article by Jorge Gamboa Arosemena: "I Accuse the Government and Justice Minister"]

[Text] Panamanians have passed from the seventies, when they were indifferent to the country's political situation, to the eighties, when they clearly realized that the main cause of the country's all-encompassing disasters (economic, social, moral, cultural, and, thus, political) was the militarist cancer that began in 1941. At that time, the petty politicians' thirst for power coincided with U.S. interests and caused the toppling of Dr. Arnulfo Arias. One day after this took place, the new government accepted the United States' hegemonic proposals that Arnulfo had rejected.

The 1942 budget tripled the stipend to what was then called the National Police. This was the initial boost given to the military monster's development, which continued to be boosted without interruption.

The military corps continued to develop, and in the mid-forties an officer, called "Give and Take," came forward. He was given this nickname because of his taste for giving and taking the presidential positions in this country. He was always supported by the ever-present opportunist politicians, who, to our misfortune, still exist today. His military career took him to the Presidency in 1952, but his dictatorship ended with a burst of machinegun fire caused by his own ambitions. However, the burst of machine-gun fire did not end the growth of militarism.

Behind the scenes and supported by the McNamara doctrine, the military was ready to assault power again in 1968. In that year—and again with the support of the gringos—military forces toppled Dr. Arias, who had tried to remove the cancer of the military as the ruling power.

During the Torrijos and Noriega regimes, the National Guard was transformed into an occupation force that was fed, trained, and meticulously directed by Washington, to spoil the Panamanian people as much as possible.

When CIA agent Noriega's corrupt actions could no longer be kept hidden and the political situation was in crisis, the will of certain gringo government sectors diabolically coincided with that of the Panamanians. Dark interests designed economic sanctions so that once the tyrant was ousted, Panama would be on its knees. Various religious denominations denounced the sanctions, but these in turn were justified by [former President Eric] Delvalle and his followers who, after squandering God knows how many millions, are now rending their garmentes as if they were the ones who had made the biggest sacrifices.

Taking advantage of the confusion and the people's happiness over the fall of the tyrant, the new government minister joined the Southern Command commander and together they began to revive the unburied body of the Defense Forces. They used leaflets and called "Passports to Freedom," to regroup the troops that were stampeding; they disguised them by calling them Public Forces. The recruited soldiers are identified with a card signed by [U.S. Army South Commander] Marc Cisneros.

I accuse my fellow companion in the struggle against the dictatorship, the government minister, of not preventing the fatherland's dignity, which was already tarnished by the invasion, from being further sullied by allowing those identification cards to be signed by a foreign soldier. I accuse the embattled leader, the present government minister, of having allowed—to the disgrace of present and future generations—this foreign soldier to also sign the passes allowing the new government officials to work in the La Exposicion area. These passes should have been signed by the minister himself.

But all this is nothing, compared to the manipulation of public opinion about the virtues of the "new" public order corps, directed by corrupt officers (most of whom live in houses and enjoy luxuries that they could not buy with their legal income). These officers are also torturers by omission or commission (and these actions have been denounced many times by different persons and organizations.)

I accuse the minister of simply saying that the current Public Force officers are not being tried because charges have not been filed against them. Please! You are the one who must act and lodge these charges. You are in the right position. You have to investigate all those who upheld militarism and who are rejected by the people, before the people reject you.

Let us ask ourselves: How many military men are presently being tried on charges lodged by the minister? It has been just the opposite. The minister separated [former Public Force Chief Roberto] Armijo without a trial (and if he took Armijo out of the corps, something crooked must have existed.) The minister defended [current Public Force Chief Eduardo] Herrera against charges that he owns property in Miami. Inexplicably, he presented [Public Force Deputy Chief Lieutenant Colonel Aristides] Valdonedo on television to answer questions concerning military personnel who violated human rights when Valdonedo himself was involved in those violations.

I accuse you of not having developed a recruiting plan, as late as it is now, for civilians to be accepted in the police corps. Neither did you include trained civilians or those with police or control aptitudes in the formation of the new police force that, perhaps demagogically, is said to be required. I accuse you of making decisions, that will affect us for a long time, without listening to citizens' concerns. Citizens are concerned that the same men with the same sick inclinations not remain in the police corps and that the opportunity not be allowed for a new dictatorship to arise.

I accuse you of manipulating the president's good faith. You had him appear in a television spot talking about the new corps' virtues so that people would see Endara as the promoter of the "Public Forces," when everything indicated that it was the government minister, supported by the U.S. Army South, who was behind the creation of such a force. The same method of distortion was used when the safe-conducts for persons who had taken asylum in embassies, were announced. The attorney general and the foreign minister were present at the news conference to announce the measure, but the government minister, who is the liaison between these two officials, was not present and this made many believe that he did not go to save himself from the immediate rebuff of public opinion to the officials who announced the measure.

I demand that the fellow companion in our struggles, the government minister, listen to the people. People are not asking for a stick and whistle police force; they want a new civilian police corps to look after their lives, honor, and resources. They want its officer staff to be maximally purged and they want the few who remain be totally reeducated. Citizens want policemen chosen from low-income sectors to be screened—but not by a foreigner—and that those who pass the psychological and technical tests to be reeducated. They want new members—which we should already be training—to be accepted at all levels of the police force.

Currently, large sectors in our society interpret statements such as this as an attack on the new government because it criticizes and does not give new officials a chance to work. I would seriously prefer that these accusations did not have any validity. However, this is not the case, and Panamanians require actions of this type to find our path to democracy and demilitarization (not having an army, be it our own or a foreign one) and develop the national project for which the population is now, conscientiously, calling.

Correction to PRD Communique on Rio Group

PA1204235090

The following correction pertains to the item headlined "PRD Party Communique on Group of Rio Results," published in the 12 April Latin America DAILY REPORT, page 13:

Make subslug read: [Communique issue by the Democratic Revolutionary Party (PRD) in Panama City dated 5 April 1990] (supplying date of communique).

Page 14, column one, last paragraph, make read: ... rule on it?

All the careful efforts to create the illusion of an independent ruling administration crash against this reality that all the other countries see and understand, whether they approve or disapprove of it. The colonial component does not disappear, nor will it disappear with a plebiscite to air secondary administrative matters.

The other countries are not worried about the 7 May elections. They are worried about the fact that the current government is the direct result of an armed attack that can only be described as sly, unprovoked, using overwhelming military power, and indiscriminate regarding inflicting victims and destruction.

What is worrisome is that the 20 December invasion represents the first time in the contemporary history of the American continent that the U.S. Government, on its own, invoked reasons of its own national interest to justify the use of force against another nation, without even trying to pretend that it was for the good of all the nations. As a matter of fact, the four reasons given by President Bush, all fabricated and groundless, exclusively concerned the United States.

To invoke the idea of legitimacy is both useless and impertinent when used to defend the action, or to condemn it, because the truth is that the government's authority is based on two factors of force, which are, one, the terror left by the indiscriminate massacre in December and, two, the permanent threat of the use of foreign armed forces, which actually have the powers of an occupation army. To all this we are not even adding the kinds of political, opportunist, and other types of persecution that occur and which differ from one case to another.

Since we cannot change what has happened and since it happened and we have to continue living with its consequences, the PRD responds with positive willingness to the calls for national reconciliation that are beginning to be heard. However, this reconciliation must be built on two irreplaceable bases, which are: first, the assurance that sovereign power will be restored exclusively and solely to a Panamanian government and, second, changing the vague idea of a reconciled nation to concrete formulas of national understanding and reconstruction that will create the necessary consensus to make coexistence among the Panamanians feasible and stable. Should this not occur, the spirit of harmony will be an invitation to become part of a lie, in exchange for a share in the privileges and benefits of power along with front-row tickets to view the people's growing misery and disenchantment.

[Signed] PRD National Executive Committee

[Date] 5 April 1990 (Adding additional material)

Argentina

President Issues Warning Against Future Strikes

PY1404021890 Buenos Aires TELAM in Spanish 0041 GMT 14 Apr 90

[Excerpt] Tandil, 13 Apr (TELAM)—President Carlos Menem said this afternoon, in reference to the railroad strike, that in the future "the state will be inflexible" and that "any strike that jeopardizes the peace and security of the Argentine people will not be tolerated."

Menem, who arrived at the local airport at 1730 to celebrate Easter, said that "the state will be inflexible when the strike involves basic services such as health, education, transportation, security, and justice." He added that "from now on any strike that jeopardizes the peace and security of the Argentine people will not be tolerated" and that the public administration "will pay salaries in keeping with its resources."

Asked about regulating the right to strike in public services, Menem said that "Peron already told us about the essential services, and that is why we are going to consider whether regulations are possible in this area." [passage omitted]

Menem on Possible Pardons; Answers Criticism

PY1504201690 Buenos Aires BUENOS AIRES HERALD in English 15 Apr 90 p 4

["Menem Pats His Own Back"—BUENOS AIRES HERALD headline]

[Text] Tandil, (NA-DYN)—President Carlos Menem yesterday affirmed that his government scheme "is already giving more or less positive results," and reiterated that "we are not all right, but we are on the right path," before leaving for Tarija, a city in Bolivia, where he will attend birthday celebrations for Bolivian President Jaime Paz Zamora.

When asked about rumours circulating that the pardon for the former commanders-in-chief accused of violating human rights could be issued next month, on Army's Day, the President denied this posibility, pointing out that "there is no date yet," and estimating that he could sign this decree "perhaps by the end of the year, or at the beginning of next year."

Speaking about economic topics, Menem failed to tackle the controversial issue of tax whitewash, announced by Economy Minister Antonio Erman Gonzalez.

On other topics, Menem denied that Interior Minister Julio Mera Figueroa was about to resign, and explained that "he has to be operated on for his gall bladder," and that, therefore, he asked for a leave of absence.

Regarding the conflict in the province of Tucuman, he said that all the local politicians agree on the fact that there should be no intervention in the province, therefore "if the Tucumanos agreed at least on this matter, I cannot see why the government should intervene."

Interviewed by LU-22 Tandil Radio and responding to criticism launched by different radical sectors, Menem stressed that he prefers neo-conservatism, "which does not exist", or neo-liberalism "which is not so" to the political atmosphere created during former Radical president Raul Alfonsin's government.

Menem headed the traditional Holy Burial procession in this city, along with Buenos Aires Vice-Governor Luis Macaya, Monsignor Emilio Bianchi de Carcamo and City Mayor Nicolas Pizzurno.

Before leaving for Tandil, the President recieved a long report on the work performed by the Foreign Ministry's Women and Human Rights Department in a hearing which, unusually, was filmed by French Television.

Menem's wife, Zulema Yoma, arrived in Catamarca following an invitation, from Governor Ramon Saadi, for the Easter celebrations, which she will share with Mera Figueroa, Lower House Chairman Alberto Pierri and many other national legislators.

Cavallo Discusses Relations With United Kingdom

PY1404171890 Buenos Aires TELAM in Spanish 1626 GMT 14 Apr 90

[Text] Buenos Aires, 14 April (TELAM) — Foreign Minister Domingo Cavallo has maintained that "there are many possibilities for fully resuming" relations between Argentina and the United Kingdom, "not only in the formal sense, but also in the practical sense so that there can be trade, investment, and every type of relation that existed between the two countries before 1982."

On arriving back in the country today after a nine-day trip to Europe, Cavallo said that Argentina "has a very good image," and that "it has been observed that President Menem is carrying out a real economic and social transformation"

He reiterated that during the next meeting of GATT ministers Argentina will insist "on the need for reducing protectionism" that is affecting agricultural and livestock trade in the EEC, North America, and Japan "so that we can make progress in selling our products in those markets."

Asked whether an eventual win of the Labor Party could have any affect on diplomatic relations, Cavallo answered: "It has been a very good thing that a conservative government, the same one that led its country during the Malvinas War, that has decided to accept Argentina's suggestion that it was time to overcome conflicts and resume relations through dialogue and negotiation."

"Labor spokesmen have indicated that they would be willing to place the topic of sovereignty on the agenda,

and we are currently working so that we can be in the most favorable position to make Argentina's undoubted rights prevail when we discuss the topic," the foreign minister stressed.

Economy Minister on Investment Incentives

PY1504202690 Buenos Aires BUENOS AIRES HERALD in English 15 Apr 90 p 4

[All quotation marks as published]

[Text] (NA-DYN)—Economy Minister Antonio Erman Gonzalez explained yesterday, that the government-sponsored tax whitewash project "is not an award for tax evaders, but is intended as a fiscal incentive for investment so that owners of capital who want to invest in the country will find it easier to do so, not having to explain the origin or history of that capital."

Gonzalez also announced that "in 10 or 15 days the first Bonex prints will be available for owners to fixed-term deposits. He also emphasized that the government would respect monthly interest payment to Bonex holders.

The minister moreover said he believed that a change of currency in the short run "would be pointless if first we do not get rid of the causes which generate inflation."

Speaking to Radio Mitre, Gonzalez defended the tax whitewash scheme "because it will help channel investment, simplifying administrative forms instead of making them more difficult, as is usually the case." He pointed out that "a direct pardon for tax debts would be incompatible with the critiria applied by the government regarding tax reform and the tax criminal law we are promoting."

Gonzalez also explained that the whitewash "will not include tax evaders already detected by the DGI [General Directorate of Taxation] tax office.

"With this new idea," he continued, "we are trying to get people and organizations interested in investing in productive and innovative activities in the country, and get money out of the financial circuit."

In related developments, and Economy Ministry source considered that "the country will not likely receive any international credit lines before the end of the year," and forecast that a joint delegation of the International Monetary Fund and the World Bank will arrive in the country next week "to monitor the development of the Yacyreta, Piedra del Aguila and Hidronor hydro-electric plants.

However, different government sources had stated that the IMF representatives would announce new credit lines next week, "which will help keep the economic situation calm and work as a catalyst to the investment programme."

Navy To Participate in ONUCA Patrols

PY1304142490 Buenos Aires TELAM in Spanish 0220 GMT 12 Apr 90

[Text] Buenos Aires, 11 Apr (TELAM) — Argentina will participate in the UN Observers Group in Central America (ONUCA) with the contribution of four fast Navy patrol boats.

Our country was asked to make this contribution two days ago through a letter signed by UN Secretary General Javier Perez de Cuellar after the UN Security Council had approved the participation of Argentine Navy materiel and personnel.

ONUCA was created at the end of 1989 within the framework of the Esquipulas II Accords with the objective of contributing to the definitive pacification of Central America. ONUCA's task is to verify that the irregular forces (the contras) do not receive any more aid, and to check that a country's territory is not used to attack other countries.

According to the communique released by the Foreign Ministry, these tasks will be carried out through regular patrolling and the investigation of specific cases in the Gulf of Fonseca. The coastlines of El Salvador, Nicaragua, and Honduras border on this gulf.

This group, which will have an initial tenure of one year, reinforces the Argentine decision to cooperate in peace processes, and it has as prior experience our participation in the Iran-Iraq and Angolan conflicts.

The official communique adds that the four patrol boats that will operate out of San Lorenzo Port, Honduras, are of the ARA [Navy of the Argentine Republic] Baradero type, and each of them will have a six-man crew. These vessels displace 40 tons, have a length of 20 meters, a beam of 5.5 meters, a maximum draft of 1.8 meters, and a maximum speed of 23 knots.

There will be 30 persons in the group under the command of a Navy captain, and it is believed that they will begin operations in the Gulf of Fonseca around the middle of May 1990.

Bolivia

Menem Arrives, Meets With Paz Zamora in Tarija

PY1404183890 Buenos Aires TELAM in Spanish 1751 GMT 14 Apr 90

[Text] Tarija (Bolivia), 14 April (TELAM)—It was officially reported here that Argentine President Carlos Menem arrived today at 1310 to participate, together with his Bolivian counterpart, Jaime Paz Zamora, in a binational seminar on integration mechanisms.

The Argentine president was met at the local airport by his counterpart Paz Zamora. Later, the two presidents reviewed the military forces paying them honors. After

greeting government officials, legislators, and other Bolivian authorities, the two presidents held a meeting at the airport and then traveled to downtown Tarija.

Tarija residents, present to welcome the Argentine visitor, carried large numbers of banners and strongly applauded the two presidents and chanted the national anthems when Paz Zamora welcomed Menem with a strong embrace.

The Bolivian president, along with his official entourage, arrived today at about 1130.

Reduction of Coca Plantation Area Reported

PY1404180890 La Paz PRESENCIA in Spanish 5 Apr 90 p 4

[Excerpt] Operations units from the Alternative Development Undersecretariat have eradicated a total of 2,268 hectares of coca crop during the first quarter of this year. The number of hectares eradicated is about the same as last year's. The information was provided by Oswaldo Antezana, head of the Alternative Development Undersecretariat, who said that in March, 830 hectares, of which only 26 hectares were not economically compensated, were eradicated. Antezana said that in March, 4,254 square meters of seedbeds, which are equivalent to about 600 hectares of coca cultivation, were destroyed, thereby making further cultivation unviable. He added that in the past, only plantations subject to economic compensation were destroyed, not coca seedbeds under cultivation in other areas.

According to studies conducted via satellite, coca cultivation in the Chapare region of Cochabamba has increased rather than decreased. Antezana asserted that the government will eradicate 6,000 hectares of coca crop this year as established in the Law of Special Regulation for Coca and Controlled Substances. [passage omitted]

Brazil

President Collor Comments on Economic Progress

PY1304170690 Rio de Janeiro Rede Globo Television in Portuguese 0200 GMT 13 Apr 90

["Exclusive" interview with President Fernando Collor de Mello by Alexandre Garcia on 12 April; place not given—recorded]

[Text] [Garcia] One day after the most important provisional measure of the economic plan was approved, I want to ask the president what is going to happen now in the country?

[Collor] Well, we have just laid the groundwork, the foundations for building a new Brazil, for building a better future for millions and millions of Brazilians who were being left too far out of our development process. The thing to do from now on is work, organize the finances of the Brazilian state and, above all, put the country back on the path of economic growth while at the same time persevering in the quest for social justice.

Today we authorized the release of nearly 30 billion cruzeiros to finance civil engineering construction. This amount will create 800,000 jobs and will reactivate one of our economy's most important sectors. This measure is precisely designed to promote activities in every economic sector, especially in those which are more efficient in using labor as well as in distributing income.

[Garcia] Mr. President, the fight against inflation always causes some sort of recession. Do you believe we are going to experience a bearable period of recession?

[Collor] There is no doubt that the period we are experiencing is not an easy one, but we cannot believe that this will turn into recession. The Brazilian economy was completely disorganized. We were experiencing a monthly inflation rate of 90 percent, while salaries were lagging behind inflation without regaining their purchasing power; the finances of the Brazilian state were in total disarray, with its budget being completely out of keeping with our priority goals for the Brazilian state in the social sector; and a feeling of hopelessness was prevailing within the Brazilian society. Thus, in order for us to turn that situation around overnight—as we did—we had to make a sudden stop. Thus, many people who were riding the bus—which here represents the Brazilian society—suffered some discomfort, sustained some bruises. Yet, it is much better to have some people suffer some bruises than to have the whole nation suffer a hemorrage. It is our desire to put the bus back on its original route and to prevent the passengers from being hurt by the sudden stop. This is exactly what we are doing now: We are driving the bus to a safe station; that is, we are leading our economy toward economic growth, which will always emphasize social well-being.

[Garcia] In recent days, Congress worked at a 90-percent speed and rejected election-oriented proposals. Do you believe the culture of Congress has changed, the way of thinking of deputies and senators?

[Collor] I believe in the legislative branch, just as I believe in all republican institutions because they are the pillars of the democratic system. The National Congress has measured up to the people's expectations and desires. Most lawmakers sought to discuss the economic program outside the framework of electoral benefits. This became quite clear with the approval of Provisional Measure 168, which was one of the main pillars of our economic program.

[Garcia] The economic program, the New Brazil Plan, also seeks to effect a change of mentality in the whole country. Do you believe that change is already taking place?

[Collor] I strongly believe that change is taking place. As I said before the election...[corrects himself] after the election but before my inauguration, I used to say that we were not going to have just a change of government,

but that there will also be a change of mentality, a generational change. We are following new practices; that is, correct political practices. We are trying to prove that to hold a public office is honorable, that it is not a dirty job. Thank God, only a few people believe this is a dirty job.

The decision by Congress, to approve the economic measures, is a tangible example of the maturity of the political sectors and of the spirit of solidarity and cooperation today linking the legislative branch with the executive branch and with the Brazilian people, so that we can overcome this crisis and can make our Brazil respected again, both at home and abroad.

[Garcia] On Monday [16 April], it will be 30 days since the implementation of the economic plan. Has it already yielded results?

[Collor] Yes, of course. It has yielded very positive results, especially regarding inflation. On the 15th of each month, we will have a deflationary rate; that is, inflation will be below zero. Thus, from a monthly inflation rate of 90 percent, we will have a negative inflationary rate. This means that our commitment to ending inflation, that our shot against inflation was really on target, and thus we liquidated inflation, which was the ghost that was making Brazilians lose sleep over inflationary effects on their family budget, on their month-end salary. This step was already taken, but it should be stated once again that it was achieved thanks to the support of the Brazilian people who trusted, who believed, and who were always sure that we were going to defeat the dragon; that is, inflation.

Another challenge is now lying ahead of us; that is, the resumption of development, of progress, the distribution of income—which will be automatically achieved through the decline of inflationary rates—and thus, our country will regain its ability to compete on the international market.

[Garcia] What advice would you give Brazilian consumers today?

[Collor] I would not call it advice. I would give them the same suggestion I have been making for some time; that is, it is not necessary to consume much. I know salaries have regained their purchasing power, that they have increased by nearly 80 percent while prices are on a free fall. All this naturally leads people to indulge in the pleasant act of consuming, of buying. Yet, it is not necessary to engage in unrestrained consumerism because if we start buying things we will not need right away we will be just make prices go up again.

Thus, my suggestion is that the people should buy only what they absolutely need. No money should be wasted. The cruzeiro we have at hand today is a very strong currency; it is not like the cruzado we had in the past. We must look after our salaries, our money; we must bargain a lot, pay the lowest prices, wait for prices to drop even more, and buy only what is absolutely necessary. In so doing, we will all be decisively contributing to implementing our economic program so that in 100 days—a term I mentioned at the start of my government—we could have complete control of the economy and we could resume our growth.

[Garcia] Thank you, Mr. President.

[Collor] Thank you.

Several Measures Signed; Others Vetoed

PY1304135290 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Apr 90

[Text] President Fernando Collor de Mello has promulgated some laws of the economic package approved by Congress and has vetoed congressional amendments to those measures dealing with prices and salaries, privatization of state-owned enterprises, and taxes.

The federal government's OFFICIAL GAZETTE will today publish the laws promulgated by President Collor and his vetoes to congressional amendments to measures included in the economic plan.

Planalto Palace advisers for legislative affairs worked all night to draft the documents sent to the president for his signature in his Dinda residence. The OFFICIAL GAZETTE also remained open to print the documents.

President Collor promulgated without a veto the laws based on the following measures: Provisional Measure 152, which governs relations between exclusive private social welfare enterprises and their sponsors at the federal public administration level; Provisional Measure 165, which forbids the issuance of bonds to the bearer and requires nominal checks for amounts exceeding 100 BTNs [National Treasury Bonds]; Provisional Measure 166, which transfers to the Federal Revenue Secretariat the administration of revenues collected by the National Institute of Colonization and Agrarian Reform; and Provisional Measure 167, which changes income tax laws on agriculture.

Economy Minister Zelia Cardoso de Mello made remarks to reporters at Planalto after deciding with Justice Minister Bernardo Cabral and President Collor which measures will be vetoed. She announced that the vetoes will be primarily focused on measures dealing with prices and salaries, with the privatization program, and some will deal with taxes. She said the government will obey the Congress' decision on the minimum salary; that is, a real increase of five percent for the first quarter, and a 6.09-percent increase for each subsequent two-month period.

Economic Minister Says 'Things Working Out'

PY1504220890 Rio de Janeiro O GLOBO in Portuguese 14 Apr 90 p 16

[Text] Sao Paulo—Economy Minister Zelia Cardoso de Mello yesterday evaluated the country's economic situation. She reached the conclusion that "things are

working out." On making this evaluation she followed the same strategy she adopted before her designation as economy minister. She also asked her advisers Eduardo Modiano and Antonio Kandir, and Central Bank President Ibrahim Eris not to comment on the meeting and only to cite the remarks she made during the news conference.

A member of the economic team has said that inflation is under control and that the public deficit is being reduced. He added that there are still cuts to be made and that the withdrawal of subsidies and benefits was essential. The whole team believes that inflation will probably drop to zero in April, which means that the people's purchasing power is increasing. One of the economists said that people were confused and that they now have at least an idea about the price and the value of the items. At the meeting held yesterday by Zelia, the advisers, and Ibrahim Eris, the economic team was less excited by the victory of Collor Plan in Congress. They concentrated on the draft of the second phase of the plan which provides for the release of money in established sectors and even the renegotiation of the foreign debt.

Amended Provisional Measures Released

Measure 152—Welfare

PY1304034090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Apr 90 p A 8

["Text" of amended Provisional Measure 152, converted by Congress into Conversion Law 14]

[Text] Conversion Law 14 of 1990

On relations between closed private social welfare enterprises and their sponsors within the Federal Public Administration

The National Congress decrees:

Article 1. For the purpose of this law it is hereby established:

I. Sponsors: autonomous enterprises, foundations, public enterprises, mixed economy enterprises, and other enterprises directly or indirectly controlled by the federal government.

II. Enterprises: the closed private social welfare enterprises that are sponsored by the state corporations listed in the above clause.

Article 2. The sponsors are hereby banned from exercising the authority provided for in Paragraph 3, Article 42, Law 6435 dated 15 July 1972.

Single paragraph. The sponsor's contribution percentage will be calculated based on the volume of salaries of those who participate in the respective welfare plan.

Article 3. The surplus obtained by the closed private social welfare enterprises will be held in a contingency reserve fund. This fund will have a limit of 25 percent of the total mathematical reserve.

Single paragraph. The remaining surplus will be used to reduce the sponsors' and beneficiaries' contribution percentage, in the proportion they contribute to meet costs.

Article 4. The closed private social welfare enterprises have until 30 June 1990 to justify before the National Private Social Welfare Secretariat assets or actuarial deficiencies in their 1989 balance sheet.

Single paragraph. The executive board of the Complementary Social Welfare National Secretariat will order a new plan to be drawn up or the necessary adjustments be made to the benefits plan in the case of deficiencies specified above.

Article 5. The closed private social welfare enterprises have until 30 December 1990 to hire private experts or legally authorized enterprises to revaluate their assets.

Article 6. The sponsors will only be responsible for the contributions provided for in the cost plan, and not for any cost referring to the operation or functioning of the closed private social welfare enterprises, except as provided for in paragraph 1 of this article.

Paragraph 1. The sponsoring state corporations are authorized to commission personnel to work in the welfare enterprises, provided the cost is compensated for.

Paragraph 2. Noncompliance with the provisions in this article will imply the civil, administrative, and penal responsibility of the offender.

Article 7. The closed private social welfare enterprises' administrative and operational expenditures shall not exceed 15 percent of their income from contributions.

Article 8. This law will be implemented as of the day of its publication.

Article 9. All provisions to the contrary are rescinded.

Measure 161—Income Tax

PY1304193090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 90 p A 6

["Text" of amended Provisional Measure 161 coverted by Congress into Conversion Law 20 of 1990]

[Text] Conversion Law 20 of 1990.
On changes in corporation income tax and other provisions.
The National Congress decrees:
Article 1. Beginning in fiscal year 1991 and based on income year 1990:

I. Income tax on profits from the export of national manufactured products and services will be 30 percent.

II. The additions mentioned in Article 39 of Law 7799, dated 10 July 1989, on export profits will continue to be in effect.

III. Fiscal benefits for corporations mentioned in Law 6297 of 15 December 1975, article 21 of Law 7232 of 29 October 1984, Law 7554 of 16 December 1984, Law 7505 of 2 July 1986, article 32 of Law 7646 of 18 December 1987, Law 7752 of 14 April 1989, and the incentives for the training of personnel in the use of computers sanctioned by Law 7232, section V of Article 13, dated 29 October 1984 are suspended.

IV. The option for individuals to use part of their income taxes to invest in the following funds will cease until determined otherwise:

a. Northeast or Amazonia Investment Funds (Decree-Law 1376 Article 11, Paragraph I, dated 12 December 1974), and in the Espirito Santo State Economic Recovery Fund (Decree-Law 1376, Article 11, Paragraph V, dated 12 December 1974).

b. In reinvestment deposits as determined by Law 5508, Article 23 of 11 October 1968, and Article 29 of Decree-Law 756 of 11 August 1969, and later amendments.

Paragraph 1. In calculating anticipated payments of income tax, as determined by Decree-Law 2354 of 24 August 1987, the tax department will consider the effects of the reduction or elimination of fiscal incentives, the changes in equal installments, and the effect of the additions discussed in this article.

Paragraph 2. Fiscal benefits suspended by Paragraph III of this article will be reviewed during the suspension period in order to introduce necessary changes.

Paragraph 3. The fiscal incentives that, according to Paragraph IV of this article, were suspended will be reassessed until 30 October 1990 to introduce necessary changes.

Article 2. Article 2, Paragraph 1, item c of Law 7689 of 15 December 1989 is amended as follows:

Article 2.....

Paragraph 1.....

c. Tax exports, calculated according to commercial laws, will be adjusted by:
1. The addition of the negative results of the evaluation of investments by the value of net assets;
2. The addition of the value of the reevaluation reserve, which became effective during the base-period, whose equivalent has not been computed in the result of the base-period;
3. The addition of the value of nondeductible items in the determination of actual profit, excluding items referring to income tax;
4. The exclusion of the positive result of the evaluation of investments by the value of net assets;
5. The exclusion of profits and dividends from investments evaluated by the purchasing cost, which have been computed as income;
6. The exclusion of the added value, adjusted for inflation, of the items referred to in Item 3, which became effective during the base-period.

Article 3. The credit for Industrialized Products Tax, IPI, granted on raw materials, semi-finished products, and packaging materials purchased for the manufacture of products that will eventually be shipped to the Manaus Free Trade Zone or to Western Amazonia will be canceled through an off-setting entry in the taxpayer's fiscal records.

Article 4. All subsidies to rates and prices—except those created by Law—that benefit users of services rendered by enterprises controled by the Union will be abolished as of the day of publication of this law.

Article 5. This law will become effective as of the day of its publication.

Article 6. All provisions to the contrary are rescinded.

Measure 166—Federal Revenue

PY1304170090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 90 p A 6

["Text" of amended Provisional Measure 166 converted by Congress into Conversion Law 17 of 1990]

[Text] Final Draft of Conversion Bill 17 of 1990.

On changes in the administration of federal revenues and other provisions.

The National Congress decrees:

Article 1. The authority to administer revenues collected by the National Institute of Colonization and Agrarian Reform, INCRA, is transferred to the Federal Revenues Secretariat and the authority to determine, register, and collect the respective active debt is transferred to the Office of the National Finances Attorney.

Paragraph 1—The authority transferred by this article to the Federal Revenues Secretariat comprises activities of tax assessment, collection, supervision, and registration.

Paragraph 2—The INCRA will maintain its rural property registration system in order to exercise the rest of its functions as established in article 2 of Decree 72106 dated 18 April 1973 that regulated Law 5868 dated 12 December 1972.

Paragraph 3—In the exercise of its functions, the Federal Revenues Secretariat can conduct judicial procedures in rural properties to compare the rural property registration report supplied by the owners with the actual exploitation conditions of the rural property.

Paragraph 4—The Executive Branch will, within 120 days of the promulgation of this law, regulate the operation of the National Rural Property Registration System and make the changes resulting from the transfer of the administration of the Rural Territorial Tax to the Federal Revenues Secretariat.

Article 2. The revenues referred to in Article 1 of this law, when not collected within the established deadlines, will be subject to monetary correction on the date that payment is actually made, in accordance with Article 61 of Law 7799 dated 10 July 1989, and collected by the Federal Government with the following increases:

I - a penalty interest for delay, through administrative or judicial procedure, assessed as of the month following the due date, at the rate of one percent monthly calculated on the monetarily corrected value, in keeping with current laws;

II - a delay fine of 20 percent on the monetarily corrected value. This figure would be reduced to 10 percent if payment is made by the last working day of the month following the deadline for regular payment;

III - the legal charges incurred in the collection of active debt referred to in Article 1 of Decree-Law 1645 dated 11 December 1978, should it be necessary.

Single paragraph—Delay interest is not charged on the value of the delay fine.

Article 3. The payment in installments of debts related to revenues referred to in Article 1 of this Law, administratively authorized, is governed by legislation provided for spreading the payment of debts of any nature to the National Treasury.

Single paragraph. The provision made by this article also applies to the payment in installments of debts related to contributions referred to in Decrees-Laws 308 of 28 February 1967 and 1712 of 14 November 1979, and of the additional contribution provided for in Decree-Law 1952 of 15 July 1982.

Article 4. The administrative procedures, the calculation, and the collection of revenues referred to in Article 1 of this Law, as well as those for consultation on the application of the respective legislation, will be governed as pertinently as possible by the norms dictated through Article 2 of Decree-Law 822 of 5 December 1969, and validated through Paragraph 3 of Article 16 of Law 7739 dated 16 March 1989.

Paragraph 1. The provision made by this article applies to current processes related to credits granted before the effectiveness of Provisional Measure 166 of 15 March 1990.

Paragraph 2. The organs of the Federal Revenues Department will send to the Regional Treasury Procuration Offices the due revenues vouchers referred to in Article 1 of this Law for their investigation and registration in the Union's Collectable Debt.

Article 5. The Federal Administration Secretariat jointly with the Economy, Finance, and Planning Ministry and the Agriculture Ministry will establish the forms and conditions for the reassignment of personnel, and for the modification of positions and functions of trust resulting from the provisions of this law.

Article 6. This law will become effective as of the day of its publication.

Article 7. All provisions to the contrary are rescinded.

Chile

'Alert One' Ordered Against Drug Trafficking

PY1304134490 Buenos Aires DYN in Spanish
1222 GMT 13 Apr 90

[Text] Santiago, 13 Apr (AFP) — The Chilean Government has ordered an "Alert One" in view of the danger of an onslaught of the Southern Cone by drug traffickers after the problems that they have had in Central America and especially in Panama, which are "strategic points in their operations."

The extreme concern of the authorities in view of the fact that the threat of illegal drug trafficking, especially of cocaine, may find "an appropriate space" in Chile was made known by Interior Under Secretary Belisario Velasco.

FPMR Blamed for Attack on Judges' Residence

PY1404234090 Madrid EFE in Spanish
2128 GMT 14 Apr 90

[Text] Santiago, 14 Apr (EFE)—The Chilean Police today blamed the ultraleft Manuel Rodriguez Patriotic Front (FPMR) for the 12 April attack on the residence of two justices of the Supreme Court.

Police sources indicated that the individual or individuals who set off the bomb in a building where five members of the Supreme Court live left pamphlets with slogans directed against the Supreme Court and in favor of political prisoners. The police added that the pamphlets carried the FPMR symbols.

The FPMR was created in 1984 by the local Communist Party, but the majority of its militants later split into an "autonomous" front, because they did not accept the nation's recent general elections, as the Communist Party did.

The bomb did not cause any casualties, but it damaged the building where Supreme Court Jusitces Hernan Alvarez Garcia and Sergio Mery Bravo live.

Today the government of President Patricio Aylwin again condemned the attack and said that the building is now under permanent police protection.

Some witnesses reported that the individual who carried the bomb entered the building wearing the uniform of the local telephone company and therefore the guards did not suspect anything.

On 7 September 1986, alleged FPMR members killed five presidential escorts in an attack on the motorcade of President Augusto Pinochet, who was not hurt.

Finance Minister Outlines New Economic Policy

PY1404155490 Santiago LA TERCERA DE LA HORA in Spanish 3 Apr 90 Economy Section p 1

[Excerpts] Addressing the Assembly of Governors of the Inter-American Development Bank, IDB, in Montreal, Canada, Finance Minister Alejandro Foxley emphasized that the government of President Aylwin has decided "to maintain an open economy, stressing its export-oriented character and stimulating domestic and foreign private investments under stable rules that are now in force." [passage omitted]

Minister Foxley affirmed that "we also have a firm commitment to maintaining economic stability and low inflation levels as a first priority; keeping a balanced fiscal budget as a second priority; and, then, gradually undertaking social programs as a third priority."

He pointed out that under the new policy, "prices will not be fixed or controlled by the state. The policy of mini-devaluations of the exchange rate will be maintained, as will be the current rules for foreign capital."

The Chilean finance minister said that priority will be given to policies in six areas: social expenditures, labor, tax, foreign trade, foreign debt management, and promotion of private investments.

As for tax code reform, Minister Foxley noted that its objective is "to partially reverse some of the substantial tax reductions that were implemented in recent years, but retaining the main incentives to work, save, and invest."

Private sector contribution is noticeable in the country's development prospects for the next five years. [passage omitted] In this regard, we can say that serious investment projects—both in the planning stage and being implemented—involve important figures. In fact, preliminary calculations indicate that new private sector projects in the 1990-94 period, will invest some $13 billion; a considerable figure when compared with the Gross Domestic Product or the Gross National Investment.

Minister Foxley concluded by saying that we expect that most of those investment projects will have direct and indirect financial support from the international financing institutions present at this meeting.

Government Willing To Cooperate in Letelier Case

PY1404011890 Buenos Aires DYN in Spanish 2126 GMT 13 Apr 90

[Excerpt] Santiago, 13 Apr (AFP)— The government of Chilean President Patricio Aylwin is studying a new "formula" for punishing the people responsible for the murder of Chilean socialist leader Orlando Letelier in Washington, but officials have not revealed the formula.

Attention was drawn to the Letelier case again three days ago when U.S. federal agents in Florida arrested Cuban citizen Jose Dionisio Suarez, who was involved in the murder of former Chilean Foreign Minister Orlando Latelier and his U.S. secretary Ronnie Moffit. The two were killed by a bomb that exploded under their automobile on 21 September 1976.

The U.S. Government blamed the Chilean secret police of General Augusto Pinochet for the murder, but in 1979 Chile rejected the U.S. request to extradite General Manuel Contreras, director of the National Intelligence Directorate, and Colonel Pedro Espinoza to Washington.

The Aylwin administration has said that it is willing to cooperate to find out the truth about the murder but that it cannot hand over the two military men because the U.S. extradition request was denied and it is considered a "closed case."

"We thought of another formula to do justice in this case," said Under Secretary of Foreign Relations Edmundo Vargas, without giving any details of the formula. [passage omitted]

Two Political Parties Created, Chairmen Named

PY1404020490 Santiago EL MERCURIO in Spanish 3 Apr 90 p 14

[Summary] The Electoral Service published documents creating two new political parties: the National Solidarity Party [Partido Solidaridad Nacional] and the Socialist Party of Chile (United) [Partido Socialista de Chile (Unido)].

Fransisco Bascunan Letelier will head the provisional executive board of the National Solidarity Party, and Osvaldo Pablo Lagos Puccio will be provisional chairman of the Socialist Party of Chile (United).

Judge Acquits Socialist Party Head Almeyda

PY1404172490 Santiago EL MERCURIO in Spanish 4 Apr 90 p C7

[Excerpts] Socialist Party President Clodomiro Almeyda was notified yesterday of Judge Sergio Valenzuela Patino's ruling which acquitted him of charges of "promoting acts of violence." The judge thus modified a previous ruling sentencing Almeyda to a 541-day prison term, which he had already served. This reverse ruling was justified by the

modification of the Antiterrorist Law this past February, eliminating the article under whose provision Almeyda was sentenced. [passage omitted]

The sources added that "with the elimination of Article 8 from the 1980 Constitution, under which Almeyda was stripped of some political and civil rights, he should recover those rights." [passage omitted]

Colombia

Pablo Escobar Reportedly 'Cornered' in Medellin

PA1304150290 Paris AFP in Spanish 0940 GMT 13 Apr 90

[Text] Bogota, 13 Apr (AFP)—National Police Deputy Director General Carlos Arturo Casadiego has said that Medellin Cartel leader Pablo Escobar is cornered in that northwestern Colombian city and sooner or later will fall into the authorities' hands.

After the funeral of Sublieutenant Juan Carlos Torres, who was killed during a car bomb attack on 12 April against a police detachment in Itagui, near Medellin, which resulted in 20 police and civilians deaths, and more than 100 injured, Casadiego described Escobar as a "fanatic and psychotic criminal whose aim is to destroy the public force."

He revealed that of the 11 policemen hurt in the attack, some have suffered amputations and others were blinded.

During a lengthy meeting with the press, the ranking officer admitted that his organizations could have been infiltrated by agents of the drug traffickers. This would explain why Escobar has managed to escape every time he is under siege.

However, Casadiego reaffirmed that the police, "whose morale and capabilities are intact," will continue its antidrug struggle "regardless of the sacrifices involved."

He confirmed that the drug mafia leader has used plastic surgery to change his appearance as demonstrated in a picture taken recently when he was leisurely cruising aboard a launch near Cocorna, about 60 km east of Medellin.

"That was Pablo Escobar. We fully confirmed it," the Police deputy director said, but refused to give further details on how he was identified.

In response to claims that the public forces are incapable of capturing the cartel chief, Casadiego said:

"Rest assured that if the police knew the exact location of Pablo Escobar, he would have already been captured and we would be spared the daily tragedies that we are witnessing."

He added that "if we have not captured and turned him over to the authorities, it is because we are lacking something, I would say a little luck, because we are ready to do just that."

"He is in Medellin," Casadiego insisted.

Casadiego confirmed that the "drug baron" has offered to pay 2 million pesos for murdering a policeman and 5 million for murdering an officer ($4,250 and $10,600 respectively).

He lamented that "Escobar has talked and written about this. Believe me, with so many hired assasins in Medellin and such an offer, his despicable goal will be easily carried out."

Casadiego admitted that Escobar is trying to remove the elite forces from Medellin, and with that purpose in mind "he has resorted to slander, insults, and all kinds of abuses, including claiming that the police are kidnapping and torturing people."

In this regard, he recalled statements by National Police Director General Gomez Padilla that "should it be necessary, all the elite corps in Colombia will be deployed in Medellin."

When asked by a reporter about the possible change in tactics used to fight drug barons, Casadiego emphatically pointed out:

"We cannot unleash a war in the country, because we respect Colombia and this respect often prevents us from launching an open attack."

Finally, Casadiego deplored the little help provided by the citizens in solving this problem that is "not a fight solely against the National Police."

Extraditables in 'Disagreement'

PA1604041090 Hamburg DPA in Spanish 0243 GMT 16 Apr 90

[Text] Bogota, 15 Apr (DPA)—Colombian drug traffickers today declared themselves in "total disagreement" with Pablo Escobar Gaviria, kingpin of the Medellin drug cartel, who has ordered dozens of executions and dynamite attacks in several cities throughout the country.

In an eight-point communique released this evening to the media, the "Extraditables" (criminals whose extradition has been requested by the U.S. authorities) said that "we do not agree with the terrorist acts that Escobar Gaviria has indiscriminately and unilaterally ordered."

The document confirms the police report that the head of the cocaine traffickers ordered the 11 April car bomb attack on the Medellin freeway (that killed 20 persons and wounded 100), the kidnapping of Senator Federico Estrada, and the sending of a truck to Bogota loaded with 800 kg of dynamite, which was deactivated.

Furthermore, the "cocaine baron" is responsible for the deaths of 29 policemen in a sinister operation "implemented in response to the actions taken against him by the authorities," the document states.

"The Extraditables publicly reject before the Colombian people the attitude assumed by Escobar Gaviria, because it harms the intent of our struggle, which is to be tried in Colombia," the communique added.

After stating that "the previous communiques were not coordinated with us," the drug traffickers denounce Escobar's use of a "dirty war policy" inside that narcocriminal organization.

"We reject the violent way (Escobar Gaviria) forces us to pay for his personal war, for which he kidnaps, tortures, and threatens our families," another part of the document states.

Last Friday [13 April], General Octavio Vargas, director of operations of the Colombian Police, said that "many persons are leaving the ranks of the Medellin cartel due to the crazy behavior of Escobar Gaviria."

According to intelligence reports, the mafia leader ordered the execution of several of his personal bodyguards and close collaborators, "because he thought they were revealing his movements" to the authorities.

The fugitive drug trafficker, who is accused of bringing in 80 percent of the cocaine consumed in the United States, is being sought intensely in Medellin and five nearby cities in an unprecedented operation in which Army, police, and secret corps units are participating.

"We have him surrounded and he will be captured very soon," Police Director General Miguel Gomez Padilla stated.

In the opinion of analysts, the internal conflict within the Medellin cartel will facilitate the quick capture of Escobar Gaviria as well as that of brothers Juan David, Jorge Luis, and Fabio Ochoa Vasquez, who are also leaders in the organization.

"We are trying to establish whether the conflict includes the Ochoa Vasquez brothers," a police chief said, confirming that "several deserters are providing us with very valuable information on the whereabouts of these criminals."

Medellin Mayor Still Urges Talks With Drug Lords

PA1304231690 Hamburg DPA in Spanish 1640 GMT 12 Apr 90

[Text] Medellin (Colombia), 12 Apr (DPA)—Today Medellin Mayor Juan Gomez Martinez once more insisted on "an immediate dialogue" between the government and cocaine traffickers "to end the war in which innocent people are being killed."

The mayor reiterated his position when he commented on yesterday's attack, which killed 20 persons and injured approximately 100 others, perpetrated by terrorists on the drug cartel's payroll near Itagui Municipality.

The blast from the explosion detroyed a truck carrying policemen, as well as several public buses, homes, and businesses. The policemen had just carried out an antimafia operation in a nearby peasant village.

A police expert said that the car bomb (containing 300 kg of dynamite) was activated by remote control as the elite force patrol passed by.

According to Gomez Martinez, "these actions will only cease when (President Virgilio Barco Vargas') government puts aside its prejudice and agrees to hold the peace talks," proposed by the subversives.

"The dialogue will take place sooner or later, and it is better to start now," insisted the mayor of Medellin, a city where the world's most powerful cartel has its base of operations.

The chief of the criminal gang, Pablo Escobar Gaviria, ordered the assassination of Medellin policemen in retaliation for the government's action against the drug traffickers. Twenty-eight policemen have been killed in this city over the last two weeks.

According to security organizations, yesterday's attack "could be Escobar Gaviria's response to the arrest of Adolfo Mesa Meneses," his right-hand man.

Mesa Meneses was arrested last week by the Administrative Department of Security (DAS), and the authorities have accused him of assassinating—on orders from the mafia leader—leftist presidential candidate Bernardo Jaramillo Ossa, as well as a chief of police, a mayor, and several journalists.

Meanwhile, hundreds of soldiers, policemen, and detectives are carrying out large-scale operations in the Colombian countryside and border areas on the suspicion that Escobar Gaviria plans to flee the country.

Last night, a television newscast showed photographs of the "drug lord" that had been "recently" taken by security organizations at a Colombian beach on the Pacific coast.

A police department spokesman confirmed today that "we have reliable information on his whereabouts," although he refrained from giving further details. Unofficial sources said that Escobar Gaviria "is somewhere in western Antioquia Department"—of which Medellin is the capital—where the search operations are concentrated.

Colombian authorities have also asked for the cooperation of Brazil, Ecuador, Panama, Peru, and Venezuela to stop the drug traffickers from escaping to those countries.

Police Uncover Mass Graves in Cordova Department

PA1404150690 Bogota Radio Cadena Nacional in Spanish 1219 GMT 13 Apr 90

[Text] National Police Deputy Director General Carlos Arturo Casadio Otorado confirmed that two mass graves, containing more than 20 bodies, have been discovered in Cordoba Department. The high military official added that he still has not received a report on the exact number of bodies found and that government agents are continuing to dig in the area of Finca Las Taigas de Valencia, southern Cordoba. This estate belongs to Fidel Castano, who has been accused of directing paramilitary groups in that part of the country. A police official stated that he had no information on the identity of the bodies and, thus, did not know if they were any the peasants kidnapped in Pueblo Bello, Turgo Municipality on 14 January 1990.

More on Grave Discovery

PA1504022190 Madrid EFE in Spanish 1905 GMT 14 Apr 90

[Text] Bogota, 14 Apr (EFE)—Approximately 50 bodies, 15 of which have been recovered by the National Police in the last few hours, were discovered in unmarked graves on Las Tangas and Jaraguay farms in Cordoba Department, approximately 400 km northwest of Bogota. These farms are owned by members of extreme right-wing paramilitary groups.

The police reported that several of the bodies belong to members of a 43-member peasant group from the community of Pueblo Bello, Turbo Municipality, Uraba Department, a region close to Cordoba Department, who were kinapped in two trucks on 14 January by Los Tangueros, an extreme right-wing paramilitary group.

According to police sources, the 43 bodies and victims of other assassinations are in mass graves throughout Las Tangas, a 2,100-hectare farm, and Jaraguay, a 3,000-hectare farm, and a one-km beach on the Sinu River, located in the same area.

The recovered bodies include those of three men and one woman, buried on Jaraguay farm, that show signs of torture and have bullet holes in the skulls. It has been determined that their deaths occurred approximately one year and seven months ago, according to the police.

The authorities have reported that the bodies of 20 of the 43 peasants kidnapped in Pueblo Bello have been found in one of the graves and the remaining 23 were found in another. Some of the bodies have been taken to the morgue in Monteria, capital of Cordoba Department, for identification.

The bodies of the peasants kidnapped in Pueblo Bello that have already been exhumed show signs of torture that was inflicted before their execution.

Police reported that the mass graves were found thanks to reports from a peasant who worked for Fidel Antonio Castano Gil, aka Rambo, considered the main leader of Los Tangueros paramilitary band, which has operated in Cordoba Department and in the Uraba banana region since 1987.

Las Tangas and Jaraguay farms are owned by Fidel Castano fronts, according to the police.

The leftist Patriotic Union (UP) and the Communist Party of Colombia (PCC) have accused Fidel Castano of sponsoring and financing the assassination of UP presidential candidate Bernardo Jaramillo on 22 March.

The UP and the PCC also said that Castano moves freely around the military installations in Cordoba Department, even though several arrest warrants have been issued against him, but the Army has categorically denied this.

According to the UP and the PCC, Fidel Castano is one of the main instruments used in Colombia by those who sponsor a dirty war against the left, and who remain in the shadows while Castano appears to be the culprit.

Courts have issued several arrest warrants for Castano because they consider him guilty of sponsoring and financing several massacres of leftist peasants in Cordoba and Uraba in 1988, as well as many political assassinations in 1989 and 1990.

Last year it was believed that Castano was linked to sectors of the Medellin Cartel and that he reportedly helped finance the extreme right-wing traffickers' terrorist activities, but analysts believe he acts outside of that group's organization.

Army Offers Cash for Information on ELN Leaders

PA1504193290 Paris AFP in Spanish 1528 GMT 15 Apr 90

[Text] Bogota, 15 Apr (AFP)—The Colombian Army today offered a reward of 100 million pesos ($2,200) for information leading to the capture of Spanish priest Manuel Perez Martinez, also known as Poliarco, commander of the Castroite Army of National Liberation (ELN).

The same amount is offered for information on Nicolas Rodriguez, also known as Gabino, ELN military chief in the vast areas of Santander and Norte de Santander Departments.

The Army announced its rewards in leaflets distributed in northeastern Colombia. This is the second time the Army has offered such rewards.

The Army stressed in the leaflets that it guarantees complete secrecy to those providing information.

The leaflets carry photographs of the two men, who are sought for being the "instigators of terrorist attacks, maintaining ties with drug cartels," and being "Colombia's number one enemies."

Rumors circulated several days ago about the alleged execution of Perez Martinez by his own comrades, who reportedly sentenced him to death for diverting ELN funds to the Spanish ETA [Basque Fatherland and Liberty].

Oscar Duenas Elected to Post of UP President

PA1404153890 Bogota Radio Cadena Nacional in Spanish 1219 GMT 8 Apr 90

[Text] Bogota—Today, the leftist Patriotic Union [UP] unanimously elected Oscar Duenas as its new president during its 11th plenary. Oscar Duenas, former director of the Electoral Guarantee Tribunal, replaces Diego Montana Cuellar. UP also elected the people who are to fill directive positions on party committees. Representatives from left-wing sectors, such as To Struggle, the Popular Front, the Socialist Workers Party, Juco [Communist Youth], and the New Independent Liberalism, were present at the plenary. Some of the people elected to the new UP board are Gilberto Vieira, Mario Eugencia Clara de Antequera, Clara Lopez de Obrego of the New Independent Liberalism, and Eduardo Umana Mendoza. Before ending its 11th plenary, the political group called on the government to stop the extradition of nationals to the United States and noted the need for a concrete program to combat drug trafficking.

* Deregulation To Stimulate Productivity, Growth

* Deregulation Outlined

90SM0003A Bogota EL TIEMPO in Spanish 23 Feb 90 pp 1A, 3C

[Text] Within 2 years prior licensing will be eliminated. Beginning with the third year, there will be a reduction in tariff duties. Large automobiles will be allowed to be imported, and the cargo reservation for Colombian ships will be ended. Proexpo [Export Promotion Fund] and the IFI [Industrial Development Institute] will support the process of modernization.

Under the name of the "Program for the Internationalization of the Colombian Economy and the Modernization of Its Industrial Fabric" on 22 February Colombia began a program of opening up the economy, after 18 months of study and consideration of the matter.

The opening of the economy will be accomplished in two stages over a period of 5 years. During the first stage, which will last for 2 years, domestic industry will be made more competitive with foreign industry, through the progressive reduction of prior licensing. Tariff duties and the rate of exchange will be the principal tools used to provide protection.

During the second stage, which will last for 3 years, tariff duties averaging above those now in effect will be promulgated. These will be reduced steadily until they reach a desirable but still considerable level to provide protection for local industry.

According to the government, "extreme" protection for domestic industry has been used to set excessive prices and achieve greater profitability in an artificial way. With this advantage productivity, efficiency, and technological renovation have been ignored, and a dynamic opportunity for opening new markets has been lost.

This situation limits the possibilities for growth and the generation of employment.

It is estimated that the process of transition will require a maximum of $500 million, in addition to the value of new imports. International reserves will only fall by $300 million between 1990 and 1991. However, beginning in 1992, they will increase by more than $270 million annually. At that time exports will grow by a rate of 20 percent per year.

On 22 February the government approved a substantial reorientation in national economic policy, which includes making the import system more flexible, enacting an antidumping law, exposing domestic industry to foreign competition, financing industrial modernization, and facilitating the import of trucks.

The new policy is part of the controversial process of opening up the economy, whose main lines were presented by the economic team of the present administration.

The government has been studying the process of inserting the Colombian economy into the international market since October 1988. Technicians from the Ministries of Finance and Economic Development and National Planning prepared the studies.

Criticism of the opening of the economy has come from the industrial sector, especially from ANDI [National Association of Industrialists] and Fedemetal [Colombian Federation of Metal Industries], which consider that now is not the time to expose the economy to foreign competition. In the view of many people the two organizations are defending the interests of a protected and inefficient industrial structure.

In carrying out the government strategy, the cargo reservation program will be eliminated which currently requires a minimum of 50 percent of imports to be carried in ships of Colombian registry.

Facilities will also be provided for the import of aircraft and spare parts to modernize the Colombian air fleet. Through free competition it is intended to reduce the charges for moving cargo by air and sea.

The present system for assembling vehicles in Colombia will be changed, and the import of large automobiles will be permitted, in order to introduce price competition for vehicles manufactured domestically.

Minister of Development Maria Mercedes Cuellar de Martinez has stated that, although the domestic economy has recorded major achievements in terms of growth of Gross National Product and national income, with inflation under control and increasing exports, the

present economic policy model is only of limited value in reaching growth figures higher than the 5.5 percent level proposed by the present administration.

The continued existence of mechanisms for providing exaggerated protection to domestic markets in the face of external competition has generated distortions in relative pricing and has resulted in the isolation of domestic production from international competition.

According to the minister of development, this situation has limited progress in terms of growth, access to modern technology, productivity, exports, employment, and the satisfaction of consumer demand at reasonable prices.

She indicated that to reach rates of growth of 5.5 percent, it will be necessary to internationalize the economy, taking advantage of the solidity of existing, overall economic conditions.

To achieve these rates of growth, it is intended to introduce Colombian factories gradually but progressively to competition in the field of foreign trade, simultaneously reducing administrative controls on the import of goods complementary to the output of such factories. This will be done in two phases:

1) During the first phase, which will last 2 years, beginning now, this process will be carried out through a progressive reduction of quantitative restrictions on imports, employing tariff and foreign exchange rates to afford the protection now provided by the system of prior licensing.

2) During the second phase, starting from an average tariff schedule higher than the present level for domestic production, the degree of external competition will be enlarged through a gradual and sustained reduction in tariff duties over a period estimated at 3 years.

This import policy is based on four criteria: its automatic feature, the universality of its application, its gradualness, and its capacity to be sustained. In this way administrative controls will be eliminated, most sectors will be covered, time will be given for domestic factories to modernize themselves, and it will become impossible to reverse these measures.

According to the government document, there will be enough credit to take care of the modernization of the designated sectors. The Industrial Development Institute (IFI) will provide lines of credit worth 89 billion pesos, and the Export Promotion Fund (Proexpo) will make available financial resources amounting to 315 billion pesos.

A part of this money will come from an allocation of $300 million in the hands of the Banco de la Republica and from new loans now under negotiation with the international banking community and the World Bank.

The transitional process from the economy under the present system to an internationally competitive economy will require about $500 million in 1990, according to the minister of development.

She emphasized: "Thanks to the overall economic management which will accompany this process and the prospects for export income, import policy will not generate a fall in international reserves of more than $150 million in 1990 and a similar amount in 1991."

After 1992 international reserves will grow by an average of $274 million annually, due to increases in productivity generated by the process of internationalization. Nontraditional exports will begin to grow at rates above 20 percent annually, making it possible to maintain an international reserve balance equivalent to 4.1 months of imports of goods and services.

Furthermore, control measures will be enacted to prevent the new trading system from facilitating illegal practices by importers (smuggling and under invoicing) or by foreign exporters (dumping).

In this connection a price information system will be set up for use by the Bureau of Customs and Incomex [Foreign Trade Institute]. The Bureau of Customs will be strengthened in a technical and operative sense, and a register of importers will be set up to include those who wish to participate in the mechanism for assigning import quotas through "customs hearings."

Legislation will also be enacted to provide control of unfair trading practices by foreign exporters, including dumping or subsidies.

This mechanism is very new in Colombia and is similar to protective policies which countries like the United States now have.

This policy, which incorporates sophisticated technologies and will increase Colombian comparative advantages in production, will make it possible to increase rapidly the exports of basic sectors of the economy, such as agroindustry.

It is estimated that by 1994 nontraditional exports will increase by $1.2 billion and will bring in a total amount of $5.0 billion in foreign exchange.

According to the minister of development, the conditions for beginning this process of growth are "now present both in the overall economic as well as the industrial situation."

Why Open Up the Economy?

Exaggerated protection for domestic production has been used to set excessive prices and achieve a high level of profitability in an artificial way. With this advantage productivity, efficiency, and technological renovation have been ignored, and a dynamic process of gaining new markets has been lost.

This situation limits the possibilities for growth and job generation. Investment has been discouraged and has not

been directed toward taking advantage of Colombian advantages in comparison with other countries. Only the domestic market has been exploited, and an attitude unfavorable to exports has thereby been maintained. Hence, Colombian exports are the lowest in Latin America.

It is now a matter of dismantling this model to eliminate its defects and shortcomings, in a gradual way and without causing traumatic results. It is anticipated that by placing the domestic economy in competition with the external economy it will be possible to modernize the productive structure and achieve annual growth rates of more than 5.0 percent.

In this way domestic and foreign consumers will be able to have access to Colombian goods of greater quality and at reasonable market prices. The renovation of factory equipment and technology will be supported by internal and external loans.

The gradual and prudent features of the opening of the economy may be appreciated when it is seen that foreign goods competitive with Colombian products can only be imported in a quantity not to exceed 3 percent of domestic production.

That prudence is based on the objective of carrying on a sustained program of economic openness. If this program were to be applied in an abrupt way, it would run the risk of causing great losses to the domestic economy and amount to taking one step forward and two steps back.

Open Up, Colombia

The tools which will be used to open up the economy in terms of imports will be the following.

- Transfer 861 tariff categories to the system of imports free of duty. As a result the proportion of goods of all categories subject to tariffs will decline from 60 to 46 percent. Goods placed on the free list basically involve production inputs and capital goods. Of the categories of goods placed on the free list there is no Colombian production of 393 of them. The others are produced in Colombia.
- Regarding the rest of the categories of goods previously subject to tariff duties, the government will seek to reduce the cost of transition and, at the same time, to provide evidence to the market of the process of opening the economy.
- There will be an allocation of foreign exchange for the approval of licenses covering 750 tariff categories, through a system of "hearings," for goods produced in Colombia whose import has traditionally been restricted. These goods include finished and semifinished products, such as textiles and tools.
- For 1,478 tariff categories under the previous system there will be flexible treatment. For example, for goods in 781 tariff categories, including production inputs and capital equipment, the Import Committee will automatically approve licenses without restriction.
- Imports requiring a prior license and subject to a quota, which involve 350 tariff categories and whose import has been totally or partially restricted, include semifinished goods, parts and replacement parts for capital equipment produced in Colombia.
- In the case of goods which under the present system required prior licensing, covering 354 tariff categories, the treatment will continue to be the same as in the past. Most of these items involve imports for the agricultural sector which, in principle, will be handled differently, due to the characteristics of the international market. Included here are certain chemical and pharmaceutical products whose imports are monopolized by government entities.
- It should be understood that the handling of the preceding categories will be considered transitional, as we move toward a more open economy. During this period of transition we will continue with the transfer of imports to the free list which were previously subject to duty but free of quotas. Goods previously subject to duty and to quotas will be subject to duty and free of quotas. Categories of goods subject to the "hearing" system will become free of quotas, once adequate tariff duties are established.
- Present systems for facilitating the processing of imports, such as special programs for the importation of raw materials and production inputs (Pempis), will continue in the future, as well as imports under the Vallejo Plan and those freed of duty under bilateral or multilateral agreements.

* ANDI on Competition

90SM0003B Bogota EL TIEMPO in Spanish
25 Feb 90 p 7B

[Interview with Fabio Echeverri Correa, president of ANDI, the National Association of Industrialists, by Hermogenez Ardila; date and place not given; first six paragraphs are author's introduction]

[Text] If the currency is devalued by 35 percent in 1990, the country will have to pay a high financial cost: Its external debt will increase by $2.5 billion, that is, the equivalent of the present expenditures budget of the central government.

That will be one of the consequences of opening up the economy. A document describing the program was approved on 22 February by the National Council on Economic and Social Policy. According to the government, foreign exchange rates, together with the customs tariff, will be the principal instruments for protecting domestic industry.

Fabio Echeverri Correa, president of the National Association of Industrialists [ANDI], made this statement after declaring that his association supports opening up the economy. His only reservation was that the process should be implemented as a whole, in such a way that government services would be modernized along with the private sector and charges for basic services should be rationalized as well as provided efficiently.

According to Echeverri, the auction system, which will be used to determine the customs duty paid on products subject to the special mechanism of prior licensing, will create a large number of rates of exchange in the country. Each auction will have a different rate of exchange, marking a break with the philosophy of Decree 444, which was demonstrated to be efficient for 22 years. Under the new system a "dollar laundering" system may be established.

And although Echeverri believes that the government will provide the resources needed for industrial reconversion, he considers that the $300 million said to be in the hands of the Banco de la Republica for this purpose will be insufficient.

The opening up of the economy will cost "a great deal, a really large amount of money." For example, modernizing Coltejer [Colombian Textile Company] in 1976 required an investment of $346 million. And the company was almost bankrupted by the devaluation of the peso which took place in the early 1980's.

[EL TIEMPO] Considering the way ANDI looks at the opening up of the economy, why is it assumed that your organization agrees with it?

[Echeverri] I want to repeat as often as necessary that the industrial sector, which ANDI represents, is not opposed to opening up the economy. On the contrary, it is well disposed to this process. However, we look at it as a package of measures. That is, the country stands on two legs, one of which is the private sector of the economy and the other, the state sector. If both legs are in pain, it will be necessary to treat both of them. This is because, as they say, the country is sheltered from the world and obsolete. However, we are obsolete on both sides, on both legs. Therefore, if we have to remove "growths," let us do so from both legs.

[EL TIEMPO] And will the two legs be cared for with the government's policy of opening up the economy?

[Echeverri] No. The government's very good will has been expressed, and we regard this as an official commitment. They are going to introduce a series of very important changes. That is, the government has considered the transportation of ocean cargo, handling the difficulties created by the Labor Code in contracting for seasonal work, and improving the ports and getting railroads to operate which broke down 30 years ago. Also, the government is going to open up lines of credit to encourage innovation and to purchase the necessary technology.

[EL TIEMPO] But is all of that not included in the government's plan?

[Echeverri] The problem is that you have to buy the new machinery and equipment for both legs. That is, although it is certain that some factories need to buy new equipment, it is no less certain that the railroads need new locomotives, cars, and rails. And although other factories need new transportation facilities, we also need to have container transportation facilities for the merchant marine and in the ports. We are also going to need to be sure that cargo is not lost in the ports and that there will not be so much fiddling amd fooling around and so much asking for tips in the Bureau of Customs.

[EL TIEMPO] According to the government, is that in the program for opening the economy?

[Echeverri] If that is what the government wants to do, the economy will be opened up some day, and that will be a good thing. As of now, what has happened is that there has been a change in the import system.

What the government's economic team says and what other critics of the present economic system have said is that there is a great deal of protection and that this favors the monopolies.

[EL TIEMPO] Is that the reason why criticism is made of the government's economic model?

[Echeverri] That is not the way things work. This is because those asking the questions are doing so in a half hearted and questionable way. I do not believe that this is the way to focus on the matter. The question is what is best for the country, not for the private sector. For it happens that the private sector generates the jobs, pays the taxes, supplies the domestic market, and has increased exports substantially.

[EL TIEMPO] But does this criticism relate more specifically to fear of competition?

[Echeverri] When you produce in this country for the domestic market and for export, you generate jobs here and pay taxes here. However, when you import goods, the factory which exports them pays the taxes, and the jobs are given to a man from Taiwan, Japan, Canada, or France. A Colombian also has to think of that. It is not true that there is no fear of exporting or importing. What happens is that opening up the economy must be done in a thorough way, because the productive sector cannot compete by itself. It requires the cooperation of the state sector.

[EL TIEMPO] In what way should the state help the Colombian employer?

[Echeverri] In many ways. When you export a product, part of the value goes to the port, the railroad, or the highway over which you transported it. In that product which is sold abroad goes part of the salaries, the social allowances, and the supply of electricity, which is very expensive and which is going up 2.2 percent each month. Those factors are involved in the cost of the product. Therefore, I emphasize that two pillars are necessary for opening up the economy: the public sector which, in Colombia, manages all of the services, and the private sector.

[EL TIEMPO] Should those services be in the hands of the private sector?

[Echeverri] Perhaps we have been mistaken here in Colombia. When you look at the United States, you see that private companies produce and sell electricity. There are port services, highways, and railroads which belong to the private sector. Telephone and Fax services are provided by the private sector, and there is competition between both sectors. Here in Colombia there is only one provider of services.

[EL TIEMPO] Would the United States be an example of modernization which should be followed?

[Echeverri] Let us not confuse the two ideas. Ultimately, I support, and I think that the contemporary world also supports, the idea of trying to turn over many productive activities to the private sector. Only those services which are competitive should remain in the public sector. What is clear is that it is necessary to modernize the state sector which provides the services, so that it will reduce the costs of a given unit of service.

[EL TIEMPO] However, the private sector can build ports to provide service to third persons, and consideration is being given to eliminate gradually the proportion of cargo which must be carried in ships of Colombian registry. Is this a good sign?

[Echeverri] It is an excellent idea. We should have done this many years ago. Building private ports and letting them compete among themselves is a positive idea. The ports in almost all countries of the world operate in that way. I understand that, unfortunately, they are only going to lower the charges for the cargo reserved for ships of Colombian registry, which is not the majority of the total cargo passing through Colombian ports. What I want and hope for is for the authorities to think of this matter as a whole.

[EL TIEMPO] The package of measures for decision is now being concentrated on making imports more flexible. What might happen to the domestic, productive sector?

[Echeverri] I do not know. Let us see what will happen. I insist that not just any kind of competition at all can be brought into the country. I ask myself whether it would be a good idea for Colombian boxers to fight with Douglas, because they are going to find more competition than they would have had if they fought with Tyson a week ago. However, if you do not prepare yourself, they may knock you out.

[EL TIEMPO] And with the opening of the economy the country may quickly be knocked out by foreign competition?

[Echeverri] I do not know whether this is going to happen to us and I do not wish to be a prophet of disaster. Let us give ourselves some room. I would like to look at all of this with optimism and in the certainty that the government is going to commit itself and do everything which it has promised to do. And I hope that the government is not going to leave the productive sector hanging in the breach, up the creek without a paddle. The effort made has to be a joint one, as the minister of economic development has said. For that reason I feel very satisfied.

[EL TIEMPO] The auctioning of foreign exchange for various products which continue to be subject to a special system of prior licensing for importation will apply to 3 percent of Gross National Product. What implications will this have for domestic industry?

[Echeverri] I do not know how that kind of foreign exchange auction will work out. Over the short term such a system is going to establish a very large number of exchange rates. We are going to begin, no longer with an official exchange rate and a black market rate, but rather with a whole lot of exchange rates. That is, all of the rates which will be set in the foreign exchange auctions are going to be different.

[EL TIEMPO] What implications will this have for the national economy?

[Echeverri] Well, it means that we are going to abandon something which we have had since Decree 444 was issued in 1968. This changes something which has been proved to be efficient for 22 years. I am afraid that the new system will not be better, because there will be some bids which will not be very constructive. And soon it will be possible to set up a dollar laundering scheme.

[EL TIEMPO] It is said that in order to stimulate exports, the foreign exchange rate is going to be raised. Is there some risk in this?

[Echeverri] That is a view which has gained some currency. I would only wish to call attention to the fact that if the rate of exchange goes up by 35 percent, the foreign debt will be increased by 2.5 billion pesos. That is about equal to the budgetary expenditures of the country.

[EL TIEMPO] There are those who say that the decision was not timely, because it was made 4 months before the end of the president's term of office and that it did not consider the way in which the next government might handle the matter. Do you share this view?

[Echeverri] I believe that any government has a term of 4 years in office. The president is elected to serve from 7 August of one year to 7 August 4 years later. You should not begin to act less effectively because you do not have time to govern in a more relaxed way. The president must govern from the day on which he enters office and until he turns over his duties to his successor.

[EL TIEMPO] However, is there not a risk that a new government may come into office with a different program and reject something as important as the opening up of the economy?

[Echeverri] That is a problem for the next government. The person who is entrusted to govern a country must govern it for the time alloted to him. It is as if you are given the job of driving a bus from here to Girardot. When you approach your destination, you begin to pay

little attention to the curves or to the brakes, because from Girardot to the next destination there will be another driver.

[EL TIEMPO] Why do you think that the opening up of the economy is in response to pressures from the World Bank?

[Echeverri] Well, the World Bank has been in Colombia for the past 2 years. It provided $2.0 million to undertake some studies of specific sectors of the economy. As a matter of curiosity you should ask why those $2.0 million were spent and why it did not begin with the question of reequipment, which would be logical. It began by advocating a change in the system. Where does all of that come from? Well, from the World Bank. The World Bank does not go to any country in the world to give away $2.0 million (1.0 billion pesos), because if it did, the money would be wasted and would end up giving employment to a few studious types to prepare an analysis of four sectors of the economy. The World Bank came to this country because it has an interest in pushing buttons and advocating a solution to problems of the kind which was adopted.

[EL TIEMPO] In the financial sector do you believe that the country has enough resources to arrange for the modernization of the various companies?

[Echeverri] I hope that it has the resources and I believe that it should have enough money. If this is not the case, it would be irresponsible to make those decisions. A great deal of money, obtained under competitive conditions, will be required to make those changes. I hope that the country has that money and will be able to offer it next week.

A few companies can be modernized. However, look at the fact that it cost $346 million in 1976 dollars to modernize Coltejer. And the company almost went bankrupt because the rate of exchange rose.

[EL TIEMPO] How would you describe the technological level of Colombian companies?

[Echeverri] I think that it is equal to the level of the newspapers, the radio networks, the journalists, and the company managers. Here no one is different from anyone else. This is a country which has a certain amount of uniformity. There are 30 million Colombians who are more or less equal to each other. We are certainly a less developed country.

[EL TIEMPO] And how do you think that we will emerge from that condition?

[Echeverri] That will take a long time, perhaps 200 years or so. We will have to emerge from our present status as many other countries have done: by educating ourselves, eradicating illiteracy, not acting like animals, not kidnapping 250 people in 1 and ½ months, not murdering an average of 50 people a day, and opening up the economy as well.

[EL TIEMPO] The government has stated that there was a discussion with you people regarding the opening up of the economy. Is that true?

[Echeverri] No. They did not consult me. They told me what they had decided to do. They did not consult me or anyone else in the private sector. They told us what was being done and what was going to be done. It is a good thing that they were so clear about it, because you cannot know in advance what may be achieved.

* Union Leaders Offer Views

90SM0003C Bogota EL TIEMPO in Spanish 25 Feb 90 p 11B

[Text] In interviews with EL TIEMPO leaders of trade associations have reacted generally in favor of "inserting" the Colombian economy into the international market. Their reservations about the proposal concern the tools which will be used. However, whether they were consulted before the proposal was made public or not, in the view of many of them, "it looks like a dream come true." They made the following comments:

Fabio Echeverri Correa, President of ANDI [National Association of Industrialists]

In considering its economic program the country cannot ignore what smuggling amounts to, no matter how familiar it is to all of us. A goodly number of Colombian products can compete internationally. That is why exports have increased. However, we are definitely unprepared to compete against smuggling or with the dollar laundering which is taking place through smuggling. Therefore, we are pleased to see the action taken by the government, which we consider a first step and a commitment by the government to the nation to make some changes and to stimulate the government team in all areas. The private sector has been asked to do the same thing, so that in the future we will be able jointly to achieve economic growth and have high quality production, competitive capacity, and efficiency which will bring us, united as a team, into international markets.

Sabas Pretelt de la Vega, President of Fenaldo [National Federation of Businessmen]

I really congratulate the government's economic team for the decision to begin to open up the economy at this time. When a country faces a crisis, you have to take bold action, thinking of the long term. Opening up the economy is the only alternative available to Colombia to achieve satisfactory rates of growth and generate employment and development. Over the short term domestic industry will not be harmed because the initial process is moderate in scope. I even believe that it is excessively moderate. Imports amounting to 3 percent of the value of the market for domestic industry are much less than what is already entering the country through smuggling. We must recognize that the government does not have sufficient resources. Therefore, we must look for them aggressively in the foreign capital market.

Ismael Enrique Arciniegas, President of Cotelco [Hotel Corporation of Colombia]

We are in favor of opening up the economy. The services sector supports this process. The action taken in support of the tourist sector is timid and only a beginning. We understand that the process must be gradual. However, in our case we will only gain through a reduction of the tariff on the import of replacement parts and aircraft. The country needs a policy of open skies, where there is competition to improve our tourist industry. The economy must be opened up even further, because the action taken so far is focussed on the transportation of cargo. We must have an internal opening up in the field of air transport.

Nicolas del Castillo, President of Confecamaras [Confederation of Chambers of Commerce]

Regarding this matter of opening up the economy, there are two realities to keep in mind. First, we must open up the economy, and, secondly, the process must be gradual to avoid harming efficient producers who need a reasonable amount of time to adjust to the new situation. I am concerned about the system of auctions of foreign exchange because, although they are limited to 3 percent of total domestic production, they may serve as a screen for smuggling and establish several, de facto rates of exchange for the dollar by subjecting a product to that kind of auction. Those who are involved in illicit trade may take advantage of this situation to expand their activities.

Juan A. Pinto S., President of Acopi [Colombian Association of Small Industries]

I recognize that the government's economic team has done a serious job in the study of the recent behavior of imports. The process of internationalization is unavoidable. Speeches about it sound good, but in practice they are not so good, because the real elements do not exist which would make it possible to speak of completely opening up the economy. For example, what immediate decisions must be taken to clean up the Bureau of Customs? Where are the contracts for streets and railroads? When will we have a privately owned container port? What is going to be done about credit in terms of volume, cost, and flexibility, when the reconversion program for seven sectors over 5 years will cost $5.0 billion?

Carlos Alberto Garay, President of Acoplasticos [Colombian Association of the Plastics Industry]

The action taken on opening up the economy shows that the government has basically spent its time on freeing trade and not on the necessary mechanisms and credit programs for making the productive apparatus adequate, for modernizing it, and for expanding it. The possibility is remote that the next government will abandon this process, because the leading elements which will control it are multilateral organizations from which a future government will have to seek new loans.

Jorge Mendez M., President of Fedemetal [Colombian Federation of Metal Industries]

The government chose the liberation of imports, using marginal and quite temporary measures, instead of realizing that efficiency will not be obtained without a great, initial effort to improve the conditions under which industry functions. Industrial restructuring has been postponed. By itself the liberation of imports will not make industry flourish. Quite to the contrary, it will create confusion among employers and will cause the prospects for growth to wither away.

Carlos Gustavo Cano, President of Fedearroz [Colombian Federation of Rice Growers]

The government is making clear how far its new philosophy goes. It seems to me that it is going in the right direction, because it is distinguishing between sectors where there are enough distortions to require it to be cautious. The agricultural sector cannot be opened up because the world market is highly subsidized, and the country must protect itself. The important thing is for the next government to continue the program. According to the present candidates, it seems that no one is opposed to opening up the economy. Another aspect is that what is being done should not be called opening up the economy but rather trade reciprocity.

Eliseo Restrepo L., President of SAC [Association of Colombian Farmers]

This is a very complex matter, and we only know part of it. In principle it is rather offensive that something of such magnitude as committing economic policy for many years into the future should have been adopted toward the end of a presidential term, instead of leaving the decision to the next government. There is concern because the program has begun by taking isolated steps, although it could be a favorable program for the agricultural sector in terms of the supply of production inputs, equipment, and machinery.

Jose M. Arias C., President of Augura [not further expanded]

I support opening up the economy, but it should not be done all at once. It should also cover all branches of the economy and should be gradual and selective. There are newly established industries which cannot be subjected to competition because they may disappear. There are other industries established on certain assumptions which cannot be changed from one day to the next. Changes must be introduced slowly. Subjecting the shrimp industry, for example, to the process of opening up the economy could destroy it if it is not protected adequately. It is a good thing to give a substantial stimulus to exports because we need foreign exchange to buy the equipment which will make our factories produce better.

Jorge Enrique Uribe, President of Asocolflores [Association of Colombian Flower Growers]

Opening up the economy implies obtaining relief from the importers and having fewer obstacles and greater expansion. In exchange it presupposes flexibility at the border. The modernization of production and of the government can be accomplished simultaneously.

We must recognize that foreign investment is necessary and that it should be facilitated broadly. Foreign investment is a basic condition for opening up the economy. The period of 5 years to complete the program does not indicate anything. A longer or shorter time could be necessary, provided that everything is done well.

Carlos Caballero A., President of the Banking Association

Opening up the economy is a good thing as it has been presented. It is not an abrupt change which could bring substantial suffering. Each industry will have to adjust to the new situation, and this looks like a good thing to me. It is something which must be done, sooner or later. The government has had the courage to raise the matter at this time, and the way in which it has been presented makes it possible to continue with it in the future. The next government will not face any greater problems. It is a first step, a direction with which the majority of the people agree and, possibly, the presidential candidates also. It is a gradual process which starts at a time when overall conditions are positive. On 13 February international reserves amounted to $4.071 billion, the rate of exchange was adequate, devaluation was proceeding at a rate above 30 percent, and public finances were not as bad as might have been anticipated 6 months ago. Therefore, from the overall point of view, there is no great risk such as there was 10 years ago, when there was a desire to do something similar. Today a beginning has been made from a good position.

Gabriel J. Giraldo G., President of Camacol [Colombian Chamber of Construction]

The liberation of imports is not favorable for the construction sector from any point of view. The action affects this sector to the extent that neighboring countries have trading arrangements which implicitly involve dumping their goods and which have an exportable surplus of their products. In many cases these goods are of lower quality. However, these competing industries try to sell them for a higher price in foreign markets. For example, take the cases of steel, cement, and porcelain sanitary products. That kind of maneuver affects Colombian industry, which has a real price structure. Philosophically and conceptually, we agree with opening up the economy. However, this should have been designed through the use of a mechanism of cooperation, adapting the private and state sectors to the new situation. If there is not a bilateral opening of the economy, involving state and private industry, the concept will turn into a scourge for private business firms, taking them into high risk situations. Opening up the economy can be undertaken as a process during this government's term of office and not as a mandate contained in a few decrees. It involves establishing the necessary conditions through a joint and gradual effort, sector by sector. For just as there are industries which are ready for the opening up of the economy, there are others which require more time to adjust to it.

Juan Alberto Paez, President of CUTMA [Colombian Council of Maritime and Air Transport Users]

There are two elements involved in opening up the economy. These include the elimination of the reservation of cargo for shipment in Colombian vessels. We totally agree with the government on this matter. This is a mechanism to make foreign trade more flexible. The other point is how the opening up of the economy is to be handled. We agree with that. However, it will be necessary to mobilize as much cooperation as is possible and to know precisely whether it is a two-way street and does not only involve imports. In principle our central concern is the uncertainty regarding exports, because there are indications which seem to be contrary to a real entry of Colombia into the international market. These include higher rates of interest by Proexpo [Export Promotion Fund], the charges by Colpuertos [Colombian Ports Enterprise], and a decision on the Cert [Tax Reimbursement Certificate].

Camilo Llinas A., President of Acolfa [Colombian Association of Automobile Parts Manufacturers]

The government has acted too hastily in announcing the first measures to be taken on opening up the economy. Although such an opening is necessary, it should have been based on a consensus and in agreement with the private sector. The objectives of the opening should be made clear. It should not be focussed only inwardly but should seek the means of increasing exports and selling our products in international markets.

Ecuador

* Economic Reactivation Plan Scrutinized

* Uneven Results Predicted

90SM0016A Quito EL COMERCIO in Spanish 18 Mar 90 p A9

[Text] In real and effective terms, Central Bank credit to the private sector will be less than in 1989.

Economic reactivation will be partial. The government program s policies will only apply to strengthen public finances and the major economic aggregates like foreign currency reserves, the current account of the balance of payments, and the State's general budget. In no case will it benefit the sector that generates the national wealth.

According to an analysis of the International Monetary Fund and World Bank letters that was undertaken by National Federation of Economists President Jorge Rodriguez, this partial reactivation has the peculiar quality of excacerbating the endemic public and private disequilibrium. But above all, it discourages small businesspeople even more in the agricultural, handicraft, and industrial sectors.

For reactivation as a first step toward stabilization, policies would have been required to provide incentive to supply goods and services to cover the country's needs. With the excess supply, one could satisfy foreign demand in a diversified manner with significant domestic added value content.

The programs applying to credit, interest rates, and economic stability instead lead toward maintaining the adjustment policies in 1990. The situation allows one to say that the aforementioned reactivation will not occur. The proposed instruments will be used as moderators of the serious inflationary process.

With respect to credit, the program established at 81 billion sucres grew in current terms at a rate of 29.9 percent, discounting the stabilization credit payments of 22.830 billion sucres.

The percentage is less than the nonofficial rate of inflation, estimated at 38.7 percent.

That means that, in real terms, there will be less credit than in 1989, resulting in a lack of liquidity for the producers.

The depth of the adjustment extends to preferring to finance rice imports, rather than designating 8.5 billion sucres instead of the planned 2.451 billion allocated for farmers.

When inflation reached 99 percent, active rates of interest were at levels of 51 and 52 percent. Today the inflation rate is 50 percent, and interest rates remain the same, indicating that their composition is highly inelastic, because they do not respond to market forces but rather to the archaic structure of the Ecuadorian financial system.

The letters of intent and development indicate the desire to convert interest rates to positive levels (higher than the rate of inflation) and it has been determined that these preferential rates of interest will be adjusted periodically.

One of the signs of the financial system's illiquidity is the interbank rate of interest of up to 70 percent.

The weekly devaluations and periodic minidevaluations, like the one a few days ago, give rise to speculation, reflected in citizens' ever lower purchasing power. Exports have not benefited at all.

The infinite and endless gradualism goes counter to economic stability. Stabilization should be a goal of the State, when it has succeeded in improving its macroeconomic indicators at the expense of the productive sector and Ecuadorian consumers.

The system of adjustment for the payment of foreign debt has contributed to a reduction in per capita income, reducing the investment coefficient, increasing the rate of unemployment, infant mortality, and what is more, lack of confidence in the power of the State.

The lack of medium- and long-term policies, exchange rate instability, labor disorder, the unceasing contradictory statements of government spokespeople, and the incoherence of economic management, cause one to lose confidence in the president.

These elements in no way lend themselves to achieving the aforementioned reactivation.

* Role of Imports

90SM0016B Quito HOY in Spanish 15 Mar 90 p 2A

[Text] Economic authorities have christened 1990 "the year of reactivation."

Projections undertaken by the specialist publication ANALYSIS SEMANAL establish, however, that Ecuadorian imports during the year will increase by only 2.5 percent over 1989, moving from $1.685 billion this year to $1.727 billion in 1990.

As indicated by the graph illustrating this article [graph not included], the totals in the historical series of imports have not varied significantly since 1985, when imports totaled $1.611 billion. Five years later, in 1990, imports will total $1.727 billion, according to figures provided in ANALYSIS SEMANAL.

Economic authorities, in the Letter of Intent signed with the IMF, have committed themselves to maintaining the current account deficit at 4.2 percent of the GDP in 1990. They have simultaneously stated that the economy will grow 3.5 percent during the same year.

Sources consulted by the economic section of HOY have asserted that the two objectives are incompatible, since to achieve a growth target of 3.5 percent the current account deficit would have to be higher than 10 percent of GDP, according to calculations undertaken by CONADE [not furter expanded].

ANALYSIS SEMANAL states that even if it is not feasible to maintain the trade deficit at the target proposed by the IMF (4.2 percent of GDP), neither would it be possible to expand it to the levels projected by the CONADE General Secretariat of Planning (10 percent of GDP) to achieve economic growth of 3.5 percent.

The specialist publication asserts that the current account deficit will vary between 5 and 7 percent of GDP for the following reasons:

- Oil exports will remain at the same levels of 1989; nontraditional exports will grow by 12 percent;

banana exports by 3 percent, while shrimp and coffee exports will remain stagnant.
- Imports will increase by between 2 and 3 percent, and by a greater percentage if noncustoms restrictions are dismantled.
- Financial services will increase, primarily because of higher debt, even though estimates are that international interest rates will fall.
- There will be a surplus in the capital account. It is assumed that all delayed payments will be capitalized, but that the government will make efforts to service the debt. There will be a flow of resources out of the country on the order of $350 million as a result of this.
- In total, monetary reserves will grow by about $80 million. The Letter of Intent signed with the IMF envisions growth of $100 million.

Imports by Economic Destination

During 1989 imported consumer goods totalled $167 million. Balance of payments projections were for $219 million. This means that a quarter of all consumer goods entered the country in the form of contraband, or that only 75 percent of the real value of these imports was declared.

In addition, $52 million of fuel and lubricants were imported; $77.9 million of agricultural inputs and animal feed; $741 million worth of industrial inputs (food products, nonfood fish products, mining and chemical products); and $43.7 million in construction materials, among others.

* New Export-Oriented Economic Model Proposed

* Policy Change Noted

90SM0019A Quito HOY in Spanish 18 Mar 90 p 2A

[Text] Finance Minister Jorge Gallardo said in a recent statement to HOY that exports will be the hub of the Ecuadorian economy in future years.

Therefore, the newly proposed development model will benefit the economy's export sector more than the estimated industrialization and production for internal consumption.

Under this scenario, various producers have in some cases shown disagreement, and in other cases skepticism, with regard to the possibility of developing a new model in which economic growth is based on foreign sales of products, especially primary goods.

The arguments sketched out by the producers range from lack of an institutional base to facilitate such plans, to the current exchange rate policy bias against exports, and domestic producers' increasing noncompliance, which goes counter to the new economic program laid out by the social democratic government.

Following are summaries of the positions of two representatives of the domestic and export sectors of the country's economy.

* Export Sector Comments

90SM0019B Quito HOY in Spanish 18 Mar 90 p 2A

[Text] Ecuadorian Federation of Exporters (Fedexport) director, economist Marco Arias, states that "exports cannot be increased by decree."

Arias said that in addition, concrete measures must be adopted to permit the elimination of the multiple layers of bureaucracy that currently hinder exporters.

"For example, to export some ocean products, it is necessary to complete 56 bureaucratic procedures, which are criticized even by Central Bank and Ministry of Industry officials themselves," Arias emphasized.

He pointed out that there are also other obstacles, such as current exchange rate policy. "With the rate of monetary devaluation lower than the rate of inflation, the costs of producing exportable goods increase and that affects the competitive prices of our products in the export market," he said.

He said that if we hope to encourage the export of nontraditional products, bureaucratic procedures must be eliminated, "because the international market is a price market."

With regard to traditional products, the situation is one of concern due to the fact that good prices are nowhere in sight, with the exception of bananas, whose price is always increasing, said Arias.

He declared that in the next 4 years there will be good opportunities for fruits and vegetables, because a project sponsored by the Agency for International Development (USAID) in collaboration with the National Business Association (ANDE) is under way, with the objective of producing these products in accordance with international market requirements, especially those of the United States.

And with regard to manufactured products, we can sell them thanks to the customs preferences they enjoy in some countries, he added.

"To export, it is first necessary to produce, and for that it is necessary to reactivate the economy, and to reactivate the economy it is necessary to undertake structural changes in the economic and productive spheres of the country," warned the Fedexport president.

He indicated that the country is currently politically, economically, and socially unstable, which does not permit development of the export sector.

In addition, there are other factors that discourage investors, such as, for example, excessively protectionist labor legislation that foments more unemployment than employment.

He reiterated that policies should be adopted conducive to increasing the level of manpower utilization, "because to the extent that the population's labor income is increased, purchasing power improves and that is the motor of the productive apparatus; only in that way can a true reactivation be achieved," he added.

"The State should monitor the level of competitiveness of Ecuadorian products for which we have advantages in being able to sell overseas; and that means applying many rules that have never been taken into account," concluded Marco Arias.

* Domestic Sector Critical

90SM0019C Quito HOY in Spanish 18 Mar 90 p 2A

[Text] The president of the Mountain and Eastern Ranchers Association, Andres Borja Holguin, indicated that the sector he represents supports export promotion.

"We do not disagree on the export sector, but there should also be some concern with respect to supplying products for domestic consumption," said Borja.

According to his criteria, the resolutions adopted by the Monetary Board, which will benefit the export sector, should be accompanied by a package of compensatory measures that will also assist domestic suppliers.

However, said Borja Holguin, the minister of finance has said nothing about the domestic situation. "The State is totally unconcerned about domestic production," the rancher warned.

He stated that the sector needs incentive pricing and credits in line with their profits. "However, the government is delaying on a review of prices," he added.

Borja questioned the economic policy of the authorities and emphasized that security should be offered for long-term investment.

"During the 19 months of this administration we have had restrictions on credit, and when access to it was made available, there were conditions involved that were inappropriate for our interests," he said.

He made the criticism that the principal government authorities do not take into account the minister of agriculture and ranching, despite the fact that he is a person who "knows the sector firsthand and has good intentions."

"The decisions adopted are political rather than technical. I give the government direct responsibility for the crisis we are experiencing, which definitely affects consumers," the ranchers' president reiterated.

He commented that the phrases "turn one's eyes to the fields," and "this will be the year of the reactivation" have not passed beyond rhetoric, and the results illustrate this.

Andres Borja declared that a general front has been formed, comprised of members of the Chamber of Agriculture, the Ranchers Association, the Holstein and Pasteurizing Association, and agricultural centers, for the purpose of outlining concrete strategies that will benefit the sector.

"We can no longer continue in this situation. We are completely abandoned and the first measure we will take will be to ignore the prices fixed by the government," he warned.

He added that the ranchers have been very patient on the economic measures, but from now on their attitude will be one of open defiance, given that the critical conditions merit this.

"We want to defend the consumer and we will cease being patient. That is the resolution of more than 5,000 ranchers," Andres Borja concluded.

Paraguay

IDB Grants Loan for Highway Construction

PY1304174390 Asuncion HOY in Spanish 3 Apr 90 p 16

[Excerpt] Montreal, Canada (EFE)—Today in Montreal, Paraguay signed an $18.8-million loan contract with the IDB. These funds will be used to reconstruct and pave 96 km of the Santa Rosa-Yby Yau Highway in the northeastern region of the country.

The loan agreement was signed by Juan Jose Diaz, tax collection under secretary of the Paraguayan Finance Ministry, and Juan Jose Iglesias, president of the IDB.

The total cost of the highway amounts to $23.5 million, and its paving will permit the year-round transit of vehicles in the country's northeast. [passage omitted]

Peru

Terrorism, Inflation Worsen Following Elections

PY1204175990 Madrid EFE in Spanish 1620 GMT 11 Apr 90

[Text] Lima, 11 Apr (EFE)—Prices have increased sharply, labor conflicts have reappeared, and terrorists are again conducting attacks in Peru after the reprive provided by the 8 April elections.

Fuel prices have gone up 29.2 percent and medicines from 30 to 200 percent. Prices of fish, beef, and chicken have also increased. According to Cuanto Inc., the inflation rate increased almost 10 percent last week while the 1990 accrued inflation rate until 6 April amounted to

124 percent and the price of foodstuff went up an average 30 percent last week. A further increase is inevitable now that fuel prices have gone up.

The Lima mayoralty will announce an increase today in the price of public transportation fares as a result of the bus drivers threat "to stage a strike" if prices do not go up.

According to polls conducted among Lima citizens, the planned fare increase is excessive and they all reject it. The bus drivers, however, state that the increase in the price of fuel, spare parts, and tires make the increase necessary.

After the emotions felt during the elections and of the surprise caused by the number of votes received by presidential candidate Alberto Fujimori—which represents a political earthquake—the housewives have realized that their money can buy less every day.

In the wake of reports that inflation stood at 32.6 percent in March and that the accrued rate for the past 12 months has exceeded 2,000 percent, President Alan Garcia hastened to announce a salary increase early this month. The announcement has not stopped the wave of strikes. Striking workers continue to demonstrate and to cause disorders in Lima by burning tires, interrupting traffic, and by clashing with policemen trying to disperse them.

The most important and most costly strike is that of the copper miners in southern Peru. The strike, which has been going on for 19 days, has already caused losses of approximately $40 million.

Four people were murdered—presumably by terrorists—in the past 24 hours in the country. A poll watcher for the Mario Vargas Llosa-led Democratic Front [Fredemo] was murdered in Ayacucho, in southern Peru. Two civilians were also found dead in the township of Aucayacu, in the northern department of Huanuco. Presumed terrorists also shot to death Jose Gonzalez, a Fredemo supporter and mayor of the township of Jose Sabogal, in the northern department of Cajamarca.

Policemen engaged in a shoot-out with several terrorists in the village of Nuevo Chinchavisto, Huanuco. Explosives were also defused in a train station in La Oroya, in the central mountain range of Peru.

Japanese Peruvians Threatened, Homes Stoned

PY1304133490 Buenos Aires DYN in Spanish 1206 GMT 13 Apr 90

[Excerpt] Lima, 13 Apr (AFP)— Yesterday President Alan Garcia asked his fellow countrymen not to create a climate of xenophobia regarding the community of Peruvian children of Japanese immigrants. These immigrants began to arrive in the country 90 years ago.

In view of the election of candidate Alberto Fujimori, who is of Japanese descent, as one of the two candidates who will contest the second round of presidential elections, representative organizations of that community have reported that they have received telephone insults and threats for the past few days.

According to press reports, some commercial establishments and homes of Peruvians of Japanese descent have been stoned by unknown persons.

Garcia urged all Peruvians not to resort to "acts of condemnation against persons who descend from Japanese immigrants that have contributed to this nation's development."

"We cannot fall into acts of xenophobia due to an election result, because we would fall into a very complex type of racism," the chief of state said. [passage omitted]

Evangelical Members Strongly Support Fujimori

PY1404122490 Buenos Aires DYN in Spanish 0014 GMT 14 Apr 90

[Excerpts] Lima, 13 Apr (AFP)—A spokesman of the Peruvian National Evangelical Council today told AFP that the personal support of approximately two million members of evangelical religions for engineer Alberto Fujimori—who is certain to compete in the runoff election for president of the nation—"may have determined his victory."

The spokesman made it clear that "the members of evangelical congregations are absolutely free to make their political choice," but as institutions, evangelical religions "have not supported, nor will they support, any party" because these religions are autonomous and there are no agreements between their leaders to promote candidates.

The so-called "Fujimori political phenomenon" has given rise to worrisome outbursts of religious and racial discrimination which was rejected by key organizations and even by writer Mario Vargas Llosa himself. Vargas Llosa said that "he (Fujimori) is as much a Peruvian citizen as I am and has all the rights of a citizen," thus rejecting, a few days ago, certain remarks offensive to the Japanese community in Peru.

On Thursday, Augusto Vargas Alzamora, top leader of the Catholic Church in Peru, harshly criticized the violent and indiscriminate attacks on members of the Japanese and even Chinese communities. He labeled them "shocking."

During a news conference, the archbishop of Lima stressed that "we are engaging in an unprecedented display of racism. Violence cannot be unleashed against any community because of its political ideas which, as do those of candidate Fujimori, deserve the respect of all Peruvians." [passage omitted]

The Peruvian National Evangelical Council includes 30 denominations and 60 evangelical groups scattered throughout Peru. Some of the main ones are: Assembly

of God; the Evangelical Church; The Christian, Missionary, and Pentecostal Alliance; and the Baptist Church. These congregations together have a membership of two million. Because there are 38 evangelists on the ticket of Fujimori's independent Change 90 Party and also because evangelist Carlos Garcia Garcia—no relation to President Alan Garcia—is Fujimori's candidate for second vice president of the nation, Fujimori's opponents have been thinking that the "evangelists had a lot to do with Fujimori's onslaught."

Garcia, a well-known pastor of Peru's Evangelical Church, who is currently in Costa Rica, is the leader of approximately 100 congregations throughout the country, "which has allowed him to play a leading role in the swift door-to-door grapevine politico-religious campaign for Fujimori, and in helping the latter obtain great results in the elections," according to analysts.

Garcia's efforts, and the "open letter" that was distributed throughout the country prior to the elections asking "the evangelical people to vote for Change 90, had a great deal of influence on the unexpected outcome of the elections in favor of this organization," according to some analysts.

The open letter signed by Guillermo Toshikawa Torres, director of the International School run by the Methodist Church in Arequipa, 1,000 km south of Lima, and the first on the list of candidates for deputy on the Change 90 ticket, included a list of material requests and greater state guarantees for the Methodist Church that would be granted under Fujimori's administration.

According to official sources, the Peruvian National Police on 8 April implemented a strict overall security plan to protect engineer Fujimori and his closest advisers. A state-run news organization reported that "the security measures include 50 heavily armed plainclothes policemen who will not let the presidential candidate out of their sight." This security plan was implemented at the request of Fujimori's most trusted aides who "are afraid that their leader's life may be in danger because he has received death threats," the news reported without giving any further details.

Bank Head: Garcia 'Deliberately' Causing Chaos

PY1304225490 Lima EXPRESO in Spanish
2 Apr 90 p 17

[All figures as published]

[Text] Luis Giulfo, director of the Central Reserve Bank, confirmed last night that Peru is without reserves, and it is possible that in May the government may be forced to sell part of its gold reserves to face its current serious economic problems.

"I believe that President Garcia is deliberately preparing general chaos for whoever replaces him as president, even if it is Alva Castro," said Giulfo in the Channel 4 television program "In Person."

Giulfo said that the Central Reserve Bank has $145 million deposited in different banks but its obligations due now are over $159 million. In other words, there is a shortage of $14 million, in addition to the debt of about $90 million to the ALADI [Latin American Integration Association] countries, and the deposits of all the national banks, which total about $204 million.

He added that "these commitments add up to $304 million." He went on to say that estimates indicate the Central Bank will receive an additional $20 to $30 million late this month.

Giulfo said that according to these estimates the government in May "will have to sell part of its gold because it will have a deficit of $100 to $120 million. Late in June that deficit will reach $290 million, and will continue to grow, depending on the country's ability to handle the problem of the external sector of the Peruvian economy."

He alluded directly to President Alan Garcia and Economy Minister Cesar Vazquez Bazan and said they were "largely responsible for the chaos." Giulfo said that in order to face the illiquidity, the government would have to implement important collection measures, because "expenditures can no longer be cut in real terms."

Among the measures that should be implemented, Giulfo mentioned increases in taxes, public utility fees, and fuel prices, which Minister Vazquez refuses to implement. He indicated that if these measures are not implemented, the Central Bank would be forced to print money, though current legislation forbids it.

Giulfo said "he believes the government has deliberately created confusion to frighten the electorate" and that it is not true that adjustments will be implemented only under a government of the Democratic Front.

He added that the current government will have to implement economic measures before 28 July, "or else it will be not only the government of the shock but also the government of the crash, and Minister Vazquez will be responsible for the crash of the country's economy."

Giulfo also said that Vazquez Bazan is responsible for unemployment among public workers and for not paying the salaries of public employees. He added that there is a strange process by which the official dollar rate is deliberately kept low to discourage exporting.

He said: "An effort is being made to convince the population that the government is keeping milk and wheat prices low, but that will not last, because there will be no more dollars, gold, or silver beyond 28 July."

Giulfo admitted that in the 1985 elections he campaigned for Alan Garcia and Alva Castro but that at the end of this administration he holds the two men responsible for the upcoming chaos, which will inevitably lead to economic adjustments.

Responding to the APRA [American Revolutionary Popular Alliance] campaign based on the fear of a shock program, Giulfo said that if people believe a change is possible, their "vote should not be influenced by fear, because fear will not prevent the adjustments."

He concluded by saying that "if a president is not elected in the first round, the government will continue with the chaos because the pretext of a runoff election will be an excuse to continue extending this agony of never-ending inflation."

Recent 'Political Violence' Leaves 31 Dead

PY1504230490 Madrid EFE in Spanish 2025 GMT 15 Apr 90

[Text] Lima, 15 Apr (EFE)—It was reported today that at least 31 people died in acts of political violence in Peru in the past four days, including seven policemen who were killed by a bomb.

In an official communique, the Interior Ministry reports that the seven policemen died when their vehicle ran into a bomb planted on the central highway near Chosica, 40 km east of Lima.

The communique adds that the attack, which occurred Saturday at midnight, also claimed the life of the driver who was bringing the seven members of the Security Police—a branch of the National Police— back to their headquarters after performing surveillance duties of high-tension towers in that area.

It was reported today from Juanjui, a township in the jungle department of San Martin, northeast of Lima, that at least 23 youths ranging in age from 17 to 19 were murdered between 11 and 13 April by terrorists who broke into four townships of the Upper Huallaga River region.

The attacks by presumed members of the Shining Path group occurred in Tocache, Uchiza, Progreso, and Paraiso, according to travellers from the southern part of the department. These sources noted that the murdered youths were middlemen in the drug trade.

According to the report, which was neither denied nor confirmed by the authorities, the bodies of the victims—which showed signs of torture and were riddled with bullets—were left on the streets.

Political violence has claimed the lives of some 800 people thus far this year. According to a congressional committee charged with studying the cause of violence in the country, Shining Path terrorists have murdered some 19,000 people since 1980.

Several Terrorist Attacks Reported in Lima

PY1204142290 Lima Television Peruana in Spanish 1100 GMT 12 Apr 90

[Text] Several terrorist attacks occurred in Lima last night. A bomb explosion at the San Martin de Porres University injured six people. The university is located on Colon Promenade beside the Electoral Court building. A simultaneous attack was perpetrated at the door of the police social club on Wilson Avenue. No victims were reported but there was major damage.

The explosion of a car bomb damaged a store a few meters from the police social club. At 0930 last night, some 15 minutes after those attacks occurred, there was a blackout in Lima and other cities in the interior of the country. Other minor attacks took place in La Molina, Huachipa, and Independencia Districts. The soccer game between the Sporting Cristal and Union Huaral teams was suspended at National Stadium due to the blackout.

Venezuela

Border Security Reinforced Against Escobar

PA1304190590 Hamburg DPA in Spanish 1712 GMT 13 Apr 90

[Text] Caracas, 13 Apr (DPA)—In view of the possibility that drug trafficker Pablo Escobar Gaviria might flee Colombia and go to Venezuela, the Venezuelan Armed Forces have begun to reinforce controls on its border with that neighboring country, military authorities in Caracas have reported.

The decision was reached after Colombian security experts advised their Venezuelan counterparts that Escobar, "kingpin" of the Medellin cartel who, according to the Colombians, has been "cornered" by police, might try to escape to Venezuela or another bordering country.

Defense Minister General Filmo Lopez Uzcategui said that military troops of the western states of Zulia, Tachira, and Apure were asked to increase security at the border.

The military leader denied that troops are confined to their barracks and said that current activities are "normal." Lopez said that this decision was adopted to prevent the infiltration into Venezuelan territory of "individuals involved in drug trafficking" and Colombian guerrillas.

It was known last week in Caracas that Colombia is considering the purchase in Argentina or Brazil of 25 military aircraft for "counterinsurgence" activities to more effectively control its border with Brazil.

Guyana

Treasury Head 'Grateful' for U.S. Support of ERP

FL1304184890 Bridgetown CANA in English 1745 GMT 13 Apr 90

[Text] Georgetown, Guyana, April 13, CANA—The Guyana and United States Governments have signed an

agreement under which the U.S. will be providing Georgetown with a one million U.S. dollar grant in support of Guyana's Economic Recovery Programme (ERP). The one million U.S. dollar contribution will be U.S.ed to help Guyana pay its nearly 200 million U.S. dollar arrears to international financial institutions preparatory to the country entering into an agreement with the International Monetary Fund (IMF).

The U.S. had originally pledged to contribute, through the Guyana support group of donor countries chaired by Canada, between 10 and 13 million U.S. dollars. The shortfall was attributed to the U.S. Congress's slashing of foreign aid for the region in the wake of recent democratic reforms in Eastern Europe. However, recent reports from Washington indicate that as a result of promptings by the powerful Appropriations Committee of the U.S. Congress, the size of the U.S. 1990 contribution to Guyana's ERP is likely to be increased.

At the signing ceremony, U.S. ambassador in Guyana, Ms. Theresa Ann Tull, said the U.S. contribution was an indication that her country believes the ERP deserves the support of the international community. Secretary to the Treasury Hubert Thompson expressed gratitude on behalf of the Guyana Government for what the state-owned CHRONICLE newspaper said he termed "the kind assistance of the government and people of the U.S.A."

Investment Pact With UK Brought Into Force

FL1304183190 Bridgetown CANA in English 1739 GMT 13 Apr 90

[Text] Georgetown, Guyana, April 13, CANA—The Guyana and United Kingdom Governments this week exchanged instruments of ratification for their agreement for the promotion and protection of investments. The official Guyana Public Communications Agency (GPCA) said the exchange of the instruments of ratification brought into force the investment protection agreement which was signed by the two countries late last year. The agreement which addresses such issues as fluctuating exchange rates, nationalisation and repatriation of profits, will remain in force for 10 years and should facilitate increased direct investment in Guyana's development by UK firms.

Representing the UK at the ceremony here was British High Commissioner in Guyana David Small. Dr. Patrick Kendall, deputy head of the Department of International Economic Co-operation, Office of the President, represented Guyana.

Guysuco, Union Agree on Target Crop Reduction

FL1304214290 Bridgetown CANA in English 2122 GMT 13 Apr 90

[Text] Georgetown, Guyana, April 13, CANA—The state-owned Guyana Sugar Corporation (Guysuco) has decided to reduce the production target for its current first crop by 5,000 tons—from 75,000 tons to 70,000 tons, the country's main sugar union reported Friday [13 April].

General secretary of the Guyana Agricultural and General Workers Union (GAWU), Komal Chand, told CANA the corporation decided to reduce the crop's target after agreeing with the union's contention that there were not enough canes in the fields to yield the 75,000 tons of sugar it had hoped for.

It is not clear whether the problem with the unavailability of enough canes in the field is in any way linked to the widespread arson of canes during a six-week post-budget strike in the sugar industry a year ago.

The reduced target will mean adjustments to the industry's weekly and other targets linked to production incentives but should in no way jeopardise the corporation's bid to ship 167,000 tons of sugar to its lucrative European Community market by the end of June.

Latest figures from Guysuco indicate that it has to ship another 37,000 tons of cane by June 30 to meet its commitment to the ECC. And, should there be good weather and industrial stability, the industry which is capable of producing well in excess of 5,000 tons of sugar per week, should meet its EEC commitments comfortably.

Chand said while talks on Thursday [12 April], the fifth in the current series, did not focus on the union's demands that the industry's minimum wage be increased from 40 to 160 dollars (one Guy dollar = three US cents) per day, GAWU was also heartened by news from Guysuco that the corporation will not be restricted by the government's public sector wages policy announced by Finance Minister Carl Greenidge in his 1990 budget speech March 28.

In that speech, Greenidge had indicated that public sector wages and salaries would be increased this year by seven per cent.